

AMERICAN NEWS

New bid to win \$3bn aid in quieter aircraft Bill

BY OUR OWN CORRESPONDENT

MAJOR U.S. airlines and their supporters in Congress are making a final effort to secure legislation which would provide \$3.2bn to re-equip fleets with quieter aircraft by 1985. The legislation is being closely watched by many international airlines which would qualify for total grants of up to \$800m. With Congress planning to adjourn in about 10 days, the Senate Finance Committee has taken a decision which leaves the Bill's supporters with a formidable lobbying job if it is to succeed with this Congress. On the positive side, the committee has kept the Bill alive, by sending it to the Senate for debate. But they did so in a form which eliminated the provision of grants for the airlines. The provision has become increasingly controversial in a year in which airline profits have soared and its removal increases the possibility that the Bill will be scheduled for a Senate vote. Since the House of Representatives has passed a version which makes money available to purchase quieter aircraft, the airlines now hope that the House will prevail in the joint House-Senate conference which will decide the final form of the legislation. Another factor is that some Congressmen who are reluctant to support airline deregulation legislation, at present in a joint committee, are threatening to oppose this measure unless the re-equipment grants are also approved. The origin of the quieter aircraft Bill is the imposition of stiff Federal noise regulations four years ago which require the

main categories of commercial aircraft to operate at reduced noise levels by 1985. The airlines have argued that it will be financially impossible to comply with the noise levels unless they receive cash aid, and that Congress should supply the money because it was Congress which refused to exempt present generation of aircraft from the new noise regulations. Legislation passed by the House would divert the proceeds of the 8 per cent airline ticket tax and the 5 per cent airline freight tax to a fund for airline re-equipment. To the accompaniment of some rude Senatorial comments about airlines, the Senate Finance Committee yesterday merely reduced the level of these taxes so as to benefit the consumer.

Democrats to fight Carter veto move

By David Buchan

WASHINGTON, Oct. 4.

PRESIDENT CARTER'S decision to veto the \$10bn Public Works Bill as "inflationary and wasteful" has roused the leadership of his own party in Congress. The party will try to override the veto. This requires a two-thirds majority of both Houses of Congress. Mr. Carter yesterday took the unusual step of announcing he would veto the controversial Bill later this week, but without actually doing so immediately. This tactic gives the White House a little extra time to orchestrate its campaign against the Bill. The Administration is now in the politically uncomfortable position of having to rely on substantial support from Republicans to support the veto.

The Democratic majority leaders of both Houses, Senator Robert Byrd and Representative Thomas O'Neill, have denounced the veto move. Mr. Carter said the Bill contains \$1.8m more for water projects than the Administration asked for, "spends the taxpayers' money in a very inefficient and inappropriate way".

Keeping the 1979 federal budget deficit down to near \$40bn is the declared keynote of Mr. Carter's anti-inflation policy. Mr. Charles Schultze, Chairman of the President's Council of Economic Advisors, today reflected suggestions that tough presidential action on the legislative front was designed to conceal the relatively ineffectual adjustments which the Administration intends to make on its current wage and price policy.

The latest veto comes as no surprise. Last week Mr. Carter hinted very strongly he would take this action. In an earlier conference, he remarked that he wished he had vetoed last year's public works legislation.

Public works bills, which mainly comprise water resources projects such as dams built by the army corps of engineers, are traditionally the occasion for the relatively ineffectual adjustments which the Administration intends to make on its current wage and price policy.

The core of Mr. Carter's objections centres on six dam projects, which he thought he had blocked last year, and 27 new water projects, costing \$1.8m more than the Administration wants. The bulk of the water projects are for the water-hungry western states whose congressional representatives are likely to lead the fight on Capitol Hill against the veto.

But Mr. Cecil Andrus, Interior Secretary, himself a former governor of Idaho, was today at pains to point out the Bill was not "anti-western", and that it had the support of the governor of at least seven western states.

Inflation rate speeds up

This year's U.S. inflation rate has clearly accelerated from the previous two years, and should show an increase of about a percentage point over 1977, the Council on Wage and Price Stability says. Reuter reports from Washington.

In the second of its periodic reports on inflation, the Council states that some of the factors in this year's rise are the past, but "a good deal of uncertainty remains, particularly about food prices."

OVERSEAS NEWS

S. Africa threatens Third World mineral producers

BY QUENTIN PERL

JOHANNESBURG, Oct. 4.

SOUTH AFRICA warned today that it might be forced to under-cut world mineral prices in order to market its output in the face of economic sanctions.

Such a move would threaten any efforts being made by Third World producers to stabilise prices, a leading Government Minister said.

Mr. Chris Heunis, the Minister for Economic Affairs, speaking at a business conference here, gave a specific warning to those Third World countries which are taking the lead in efforts to isolate South Africa from world markets.

"One must have serious doubts, in the case of several important internationally traded

primary commodities, about the viability of any rationalisation efforts which exclude such a major producer as South Africa," he said.

Moreover, if politically inspired actions against the South African economy should force this country to market its primary products in unorthodox ways, and probably at discount prices, that in itself could jeopardise the efforts of Third World countries to stabilise prices.

South Africa was specifically excluded from a meeting of manganese producers in Gabon last month. South Africa is responsible for some 25 per cent of the total world output of manganese. He warned earlier that "strategic considerations" called into question the wisdom of "following a development strategy which relies heavily on exports, which may be vulnerable to hostile international actions against the South African economy."

Reuter reports from Lusaka: Zambia's President Kenneth Kaunda has sent envoys to Botswana, Angola and Tanzania amid signs that he is seeking to revive stalled peace efforts on Rhodesia, diplomatic sources said today.

President Kaunda returned last night from a one-day meeting with Mozambique President Samora Machel in Maputo. He appears to be in the forefront of attempts to mend divisions in the "frontline" states.



Monsoon storms hit Indochina

By Richard Nations

BANGKOK, Oct. 4.

VIETNAM'S rice-bowl in the Mekong Delta has been hit by the worst flooding in a half a century, following an unusually rapid sequence of heavy tropical storms since mid-August. The damage to the economy is difficult to gauge accurately. But observers here think it must be severe, particularly since it is only the latest in a series of setbacks which add up to serious economic dislocation. These include the nationalisation of the Mekong Delta, the exodus of ethnic Chinese, particularly from the transport and engineering sectors following Hanoi's dispute with Peking in July, and a plague of insects which has hit spots in both the North and South of the country.

Trouble began with Typhoon Bess which hit Indochina on August 12. One month later three tropical storms separated by no more than a week—and culminating in the particularly furious Typhoon Kit—poured rain over the central highlands of Vietnam and Cambodia and the lower reaches of Laos. All three of these areas drain into the Mekong river basin, and in the past fortnight have swelled the delta's discharge to one metre above its normal depth—the highest recorded level in 50 years, according to United Nations officials.

Current flood levels are projected to last at least one month, and even then, they will only drain away very slowly. It should be well into November, therefore, before the floodwaters subside in the delta—provided there are no more unexpectedly heavy rainfalls.

Exaggerated from international agencies, who have recently visited the area say damage to the crop is extensive, but an exact figure is virtually impossible to pin down. One agronomist, working for a UN agency, said that even before the flood Vietnam's rice harvest was under attack from pests, due to a critical lack of insecticides and spare parts for sprayers. The brown, flat hopper, which attacks the older high-yielding rice varieties grown in the Mekong Delta, has encroached in epidemic proportions. In some areas, 90 per cent of the crop in the South by mid-August. In the North, a variety of fungus called rice blast has assailed the harvest, again causing untold damage.

Following the September 21 storms, Hanoi said the country had lost 1.5 million tons of rice, and 1.5 million people have been directly affected by the floods, and 1.5m are officially estimated to be in need of urgent food aid. The report also said that 50,000 acres of rice had been washed away, and 150,000 people had been killed. Vietnam's 1977 harvest was also damaged by inclement weather, but drought and frost rather than floods.

Last year's rice import requirement was nearly 2m tonnes, and this year official estimates for food-aid requirements range between 1.2m and 1.5m tonnes. Privately, however, Hanoi officials tell visitors that this year's food aid is in fact more than double this figure.

If the economic dislocation is anywhere near what Hanoi officials claim, political repercussions are not to be discounted. The whole theme of post-war domestic reconstruction in Vietnam has been to restore the country to its former glory, and the loss of the rice harvest is a major setback. The loss of the rice harvest is a major setback. The loss of the rice harvest is a major setback.

Although Cambodia does not report to international agencies, it must also be affected by heavy flooding in the Mekong Delta. The loss to production may be offset by a tactical advantage gained in the war, however, since the heavier Vietnamese forces will be tied down to the roads, allowing the Cambodian army some respite from the hammering it is thought to have been before to heavy rains.

R. K. Sharma adds from New Delhi: A severe cholera epidemic around Calcutta has added to the troubles of the flood-affected state of West Bengal. The breakdown of communications has made it difficult to send medical supplies to the affected areas, and the state's Chief Minister, Mr. Jyoti Basu, said shortage of medicines was being aggravated by looting.

California home loans rates rise

BY STEWART FLEMING

NEW YORK, Oct. 4.

MAJOR Californian savings and loan associations are increasing the cost of home loans back to the 10 per cent level which they first hit in May of this year. But despite the rising cost of borrowing the companies continue to report strong demand.

Nationally, the average cost of a home loan is now up to 9.73 per cent and is expected to continue rising as the cost of borrowing institutions' funds increases. But whereas in the past as interest rates increased the lending institutions found they had to cut back on loans because their savings inflows declined this is not yet happening on any scale.

Salomon Brothers, in a recent analysis of the market, pointed out that while in the early part of the year savings institutions experienced a decline of almost 50 per cent from \$80bn to only \$47bn in net inflows, by August there were clear signs of a revival.

The improvement is mainly due to the introduction in June of the new six-month adjustable rate mortgage, which Moody's, the stock rating agency, estimates have attracted as much as \$30bn in funds.

Although some of the money will have gone in commercial banks and some will represent transfers from one savings

account to the new high interest six-month certificates, it is accepted that the certificates have added to the funds lending institutions have available for the housing market.

In spite of fears about the level of activity in the housing industry 2m new houses are being built every year. Early in the New Year many of the new certificates will mature and it is expected that investors will buy new certificates at a full percentage point higher than when the certificates first became available. This will add to the rising leading institutions cost of funds.

U.S. insurers sue for \$20m

BY JOHN MOORE

TWO U.S.-based businessmen, who played a part in the events which have led up to dispute over \$10m worth of reinsurance contracts between the Brazilian Reinsurance Institute and the Lloyd's of London underwriting syndicate headed by Mr. Frederick Sasse, have been sued by two American insurance companies.

The businessmen—Mr. John Gueffert and Mr. John Marnarelli—are contesting actions brought against them by the North American Company for Property and Casualty Insurance of Chicago and the Argonaut Insurance Company. The North American Company for Property and Casualty Insurance is claiming against Mr.

Gueffert, Mr. Marnarelli, and an associate, Mr. Allan Assael, for \$10m of premiums which are alleged to have been "fraudulently obtained" and for losses arising from the non-existence of reinsurance which their companies said they had arranged. The Argonaut's action alleges "conspiracy to defraud, conversion and misappropriation of premium trust fund monies belonging to the Argonaut in excess of \$7m, and other breaches of duty."

The cases, which have been in progress since 1976, are quoted in the Brazilian Reinsurance Institute's latest defence in answer to the claims of the Lloyd's underwriting syndicate. The Brazilians are refusing to

pay claims of about \$10m on reinsurance arranged with them by the Sasse syndicate. Mr. Gueffert and Mr. Marnarelli are insurance brokers who produced fire and damage to property insurance business for a company run by Mr. Dennis Harrison. Mr. Harrison was authorised to accept business on behalf of the Sasse syndicate.

The recently amended defence of the Brazilians attempts to establish that the same type of business disputed with the American companies (property insurance on high risk properties mainly in the New York and New Jersey areas) was eventually insured with the Lloyd's syndicate, and reinsured with them.

Drivers threaten Post's return

BY JOHN WYLES

NEW YORK, Oct. 4.

PERSONAL INTERVIEW BY Mr. Rupert Murdoch, the publisher, is understood to have clinched an agreement this morning with journalists and commercial staff employed by the New York Post.

The agreement strengthens the possibility that the afternoon newspaper will reappear tomorrow after an eight-week absence caused by a strike of New York pressmen. The labour problem has developed with the newspaper's delivery drivers who had agreed in principle to new contract proposals last week but who are now demanding some revisions.

The Post management said today that it was not prepared to concede the delivery drivers' new demands, so prospects for publication tomorrow remain uncertain.

It is suggested that Mr. Murdoch is anxious to scoop in the normally heavy advertising which precedes next Monday's Columbus Day holiday in New York. It has also been reported that Mr. Murdoch may bring forward the Post's publication times to establish it as a morning paper in direct competition with the rival tabloid, the Daily News. The Post, however, has refused to comment on these reports.

Details of the agreement are unknown but the publisher may have been driven to compromise on his earlier position because of his evident desire to get the Post back on the streets ahead of the two morning newspapers, the New York Times and the Daily News, which resumed negotiations with the pressmen this morning.

U.S. COMPANY NEWS

Canadian Oil to boost Ashland Oil; Great Atlantic and Pacific Tea deficit; General Motors predicts cut in margins—page 27

THE CRISIS IN THE LEBANON

The Camp David accords have made Israeli intervention unlikely

BY PATRICK LOCKBURN

THE SCALE of fighting in and around Beirut over the last week has surpassed anything since the civil war ended in October, 1976. Most of the houses in the Christian strongholds in the capital are reported to have been destroyed or damaged while their remaining inhabitants have left for the relative safety of the country.

Successive rounds of fighting between the 30,000-strong Syrian contingent and the Arab League peace-keeping force and the Right-wing Christian militias have increased in ferocity since February, as the Christian-Syrian alliance born in the civil war gradually collapsed.

The war had left a Christian enclave stretching from East Beirut to Zghorta in the north which functioned as a virtually independent state. Though Mr. Suleiman Frangieh, the ex-President, has remained a firm supporter of Syria in the three northern regions of Zghorta, Baeharre and the Phalange and supporters of former President Camille Chamoun have remained in control of the rest of the Christian redoubt.

The Syrians normal response to what they regarded as Christian provocation over the last nine months has been heavy artillery and rocket bombardment of Beirut's Christian quarters. This had the dual aim of dividing the militia from their civilian supporters and avoiding the heavy

Syrian casualties inevitable in an infantry assault. Such attempts to demoralise Christian civilians had only limited success, though it led to the exodus of more than 300,000 people from Beirut. The Phalange and Chamounist leaders in any case depend on their paramilitary organisations for their authority.

In the past Syrian nervousness of Israeli intervention has led to Christian leaders underestimating the determination in Damascus not to allow a Christian state to develop outside the authority of President Sarkis's Government. Mr. Camille Chamoun in particular has vigorously demanded Syrian departure.

Assad to visit Moscow President Hafez Assad is to visit Moscow later on this week at the invitation of the Kremlin. The Syrian President was asked by countries opposed to President Sadat's initiative to secure Soviet support. Top priority is to have the Russians renewing their commitment to the defence of Syrian territory.

Syria needs new weapons and spare parts. President Assad wants to achieve what is termed here as "strategic balance" between Syria and Israel.

In the current fighting east Beirut has been cut off from the rest of the Christian enclave by Syrian tanks and infantry holding the Quarantine bridge. Having reduced most of Assad's Syrian intervention unlikely over the next three months up to the moment when an Egyptian-Israeli treaty is signed, in the intervening period Syria has its best opportunity of quelling the Christian militias while limiting

the risk of an Israeli counter-attack. Early in July Israeli Kfir fighters overflew Beirut and Israel gave a clear warning that it would not stand by while the Syrians wiped out the Christian militias. But with 6,100 UN troops stationed in south Lebanon now, in effect, protecting the Syrian army's southern flank, direct intervention would be difficult.

In Damascus the Syrians were quick to blame the latest round of fighting on the U.S. and Israel, arguing that it was provoked to distract Syria from opposing the Camp David agreements. But while claiming they are the victims of a conspiracy, President Assad left for a visit to East Germany as the crisis began to develop.

The Camp David agreements in reality are more likely to restrain Israel from active intervention. The U.S. in particular is anxious to avoid any military action by the Israelis which would increase criticism in the Arab world of any agreement with Israel.

Having so far committed themselves to establishing military control of, at the very least, East Beirut the Syrian leadership will be doubtful about accepting the French proposal to cease fire and the redeployment of the Syrian forces away from the main Christian strongholds, even though the initiative is supported by President Sarkis.

Inflation rate speeds up

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EEC grain for China

BRUSSELS, Oct. 4.

THE EEC may open a wheat export tender soon which would cover exports of Common Market wheat to China, EEC officials said.

An initial 300,000 tonnes of soft wheat could be made available in a new tender covering the Far East, but no final decision has been taken yet. The area extends from Afghanistan to China as well as Australia and New Zealand but is not included in the EEC's current weekly cereals export tenders.



PROTAGONISTS IN THE BATTLE

President Elias Sarkis, elected September 1976
Prime Minister Dr. Selim al-Hoss, appointed December 1976
Lebanese Army: 7,000
Arab Detachment Force: c. 30,000
United Nations forces in the south: 6,100
Phalange (Rightists): approx. 5,000
Chamounists (Rightists): 1,000
Frangieh (pro-Syrian Rightists): 2,000
Maraboutism (Muslims): 1,000
Druze: 500
Palestinians: Fatah 10,000
Political groups
Phalange (Rightist): leader Mr. Pierre Gemayel; National Liberal Party (Rightist): Mr. Camille Chamoun, Muslim leaders: Mr. Saeb Salam (Sunni); Mr. Rashid Karami (Sunni leader in Tripoli); Imam Musa Sadr (Shi'ite); Mr. Walid Jumblatt (Druze).

Giscard backing for Beirut peace bid

BY DAVID WHITE

PARIS, Oct. 4.

PRESIDENT Valéry Giscard d'Estaing today sent messages to President Carter and the Syrian Head of State, President Hafez al-Assad, to back up French initiatives at the United Nations for a separation of forces in Lebanon.

The French proposals, which came after several days of heavy artillery attack by the mainly Syrian Arab peacekeeping force on Christian areas of Beirut represented a renewed effort by France to assert a leading role in Middle East peace moves.

Strussing his historical links—both Syria and Lebanon were under French mandate between the two world wars—France offered more than two years ago to send a force of 5,000 men to act as a buffer between Muslims and Christians in Lebanon.

The offer, strongly attacked by Arab leaders, was not taken up, but earlier this year France became the only member of the Security Council to send troops as part of the UN intervention force in south Lebanon.

While Syria's initial reception of the French initiative appears to have been cold, Lebanon's Right-wing Christian leader today appealed to the French to save Lebanon from "liquidation" and spoke of France's "moral obligation" to the country.

Mr. Giscard d'Estaing today talked by telephone to President Elias Sarkis, of Lebanon. The French peace initiative has been discussed with Mr. Sarkis over the past few days, according to French officials. The content of today's messages to Presidents Carter and Assad have not been disclosed.

Proposals, presented yesterday at the UN by Mr. Louis de Guiringaud, France's Foreign Minister, contained three main elements: an immediate cease-fire; the redeployment of the Arab peacekeeping force (meaning its removal from the main battle zones); and the intervention of a buffer force of mixed Christian and Muslim elements of the Lebanese army.

Saudi Arabia's Foreign Minister held talks with Mr. Giscard d'Estaing on the proposals this morning. Saudi Arabia has taken part with Syria in the peacekeeping force.

The French proposals are recognised here to be faced with difficulties, such as the control of Right-wing Christian militias and the weak showing of the Lebanese army in maintaining order.

Mr. de Guiringaud proposed that the setting-up of a buffer force should be agreed between Syria and Lebanese officials with the possible help of the French Embassy in Beirut. But France is clearly looking for wider backing for its plan, particularly from the UN.

Japan plans sharp cutback in car shipments to UK

Swedish sales down 22%

French sign Brazil trade pact

ON THE eve of the arrival of President Viatry in Brazil, diplomats of the two countries have exchanged notes of intent covering a \$357m package of French goods and services.

If subsequent negotiations, due to be completed by mid-December, are successful, the French Government will sponsor financing for materials and services for three areas: hydro-electric schemes, suburban railways and passenger airlines.

In the first area the French Government would offer a government to government loan of 15 per cent of the sum of \$82m which would cover supplies of French equipment for the second stage of the Tucuruí hydroelectric scheme in the Amazon (where French com-

pany are already equipping the B. A. 302) and for the third Salinas scheme, also in the Amazon.

The remaining 85 per cent would come from private credit, guaranteed by the Compagnie Française d'Assurance Pour le Commerce Extérieur.

In the second area, the new suburban railway line for the southern city of Porto Alegre, the financing structure would be the same — 15 per cent government-to-government loan and 85 per cent private credit for a total sum of \$115m.

The third proposal covers technical co-operation between the Compagnie des Mines et Potasse d'Alsace and the mining sector of the Brazilian state of Mato Grosso. Petrolina is a large potash reserves in the state of Sergipe in Brazil's northeast. In this case the sum of money advanced would be \$115m, again with 85 per cent private credit guaranteed by the Compagnie Française d'Assurance, and 15 per cent government-to-government loan.

The exchange of notes substantiates the general view that Giscard d'Estaing's visit is of great commercial than political importance.

France is now the sixth largest foreign investor in Brazil, and Brazil is France's largest trading partner in Latin America. Moreover, Brazil has been trading with France for a long time, with a 1970-71 trade surplus of \$270m or \$330m — a situation the French are anxious to rectify.

Another agreement is due to be signed during M. Giscard's visit: a technical co-operation agreement which could lead to supplies of French technology.

Iraqi rail contract

THE BRAZILIAN building will last for four years and employ 8,000 people.

Mendes Junior was one of three companies originally short-listed and, finally, after months of arduous negotiation, defeated its competitors, Rites of India and Energo-Project of Yugoslavia.

This is Mendes-Junior's fifth construction contract for the government. It is the largest of the group, built for 600 km to the Trans-Amazon highway and is now building the Palmer dam in Uruaygua.

Engineering Ltd., says it has won a contract to build a \$100-million Agroculture of Brazil to provide engineering, procurement and onshore construction services for a \$350m pulp mill near Manaus in Brazil's Amazon basin.

The company says that the pulp plant and power generation sections were built in Japan and that the other two, that the company itself will build auxiliary chemical plants and other structures.

Airbus Industrie calls for British participation

MR. BERNARD LATHIERE, chairman of Airbus Industrie, said yesterday that he had virtually no doubt that the UK would rejoin the European consortium, in spite of the problems which had arisen recently in the Franco-British negotiations.

His opinion was that it was 89 per cent certain that the original intention would be successfully concluded. M. Lathiere said at a luncheon of the Anglo-American Press Association of Paris.

Though he could not speak for the Governments involved, he and his team at Airbus Industrie were much wanted the British to come.

There were several reasons for this favourable attitude towards British membership. It was clearly desirable that British Aerospace, as the biggest European manufacturer in Europe, should participate in the biggest European civil aircraft programme, though he stressed the need for a quick decision.

In addition, Airbus Industrie had been very satisfied with the contributions to the Airbus programme made by Hawker Siddeley (now part of British Aerospace) which builds the wings of the B-3 and B-4 Airbus. Hawker Siddeley had not only brought advanced technology to the programme, but its products were competitively priced and it had a good delivery record.

By Colina MacDougall

AT A conference held at the CBI headquarters in London yesterday, members of the aviation industry which was headed by Mr. Edmund Dell, Trade Secretary, on his visit to China last August, reported that speed was essential to British businessmen in approaching China, as the competition from other European countries was formidable. It was also necessary to be co-operative about marketing Chinese exports.

Areas where Britain should concentrate were mining equipment, petrochemical plants, offshore oil, aerospace, railways, and ports. Small

Spain orders first ITT System 12 in Europe

Spain's National Telephone Company, Telefonos de Espana has ordered an ITT system, 13 large local exchange units, for the town of Salamanca. The order is thought to be worth around \$5m.

The 10,000 line exchange will be the first of its kind in Europe, and will use electronic digital technology, a system of a size larger than any currently in use.

Suppliers, Plessey, General Electric and Standard Telephone and Cables—an ITT subsidiary—were invited to come into the country in 1981. The collaboration of ITT through STC—in the project has been a matter of some concern to the other suppliers, though in recent months development work has been speeded up.

For the Spanish Government, the director of Kleinwort Benson said contracts worth £10m have been awarded on a form of credit. ECGD is at present working out a form of buyer's credit acceptable to the Chinese. Compensation deals, which the Chinese were now trying out, were a further method of trading.

It also emerged at the conference that British Petroleum are to send a team to China later

New Nigerian import curbs

Spain and at the company's research centre in Stamford, Connecticut, in the U.S.

The National Telephone Company will also be involved in the development of System 12. Delivery of the Salamanca exchange is scheduled for late 1981.

The development of System 12 will in effect mean that ITT will have two electronic digital exchange manufacturing capabilities early 1980s.

System X, the exchange developed by the British Post Office in association with its three main

THE Nigerian Government has imposed new restrictions on the importation of certain categories of consumer goods, according to a circular issued by the country's Central Bank.

Since the start of this week, 25 items have been placed under import licences, including cameras, clocks, amplifiers, children's toys, and ceramic products (other than industrial). Four categories of goods have been banned completely, including calendars and greetings cards.

U.S. locomotives deal

THE semi-state-owned U.S. railway Amtrak has issued its orders to ASE of Cincinnati for 30 new locomotives. The initial order for eight locos was increased to 15, while it is understood, a further 15 locos bringing the total to 30.

The total value of the 30 locos is about U.S.\$37m. The first in the series of 15 will be delivered at the beginning of December next year and the last in October 1980.

Steel chiefs' world crisis proposal

COLORADO SPRINGS, Oct. 4. A JAPANESE proposal to help solve the crisis in international steel trading has been put forward. An extended system of voluntary restraint agreements between the big producing areas of Japan, Europe and America is proposed, with EEC countries cutting steel exports to the United States by 20 per cent.

Western world steel-industry leaders, meeting here at the International Iron and Steel Institute Conference (IISI), have identified the main problem facing the industry as overproduction of steel in many countries during the recession and the sale of surplus steel to other markets at low prices.

East-West trade declines

committee

By Lorne Barling

ORLANDO, FLA., Oct. 4.

MR. WILLIAM SIMON, the former U.S. Treasury Secretary, is to serve on a new anti-bribery and corruption committee, set up by the International Chamber of Commerce to regulate business transactions world-wide.

The move follows a preliminary investigation, headed by Britain's Lord Shawcross, which says that corruption is so common in some countries that it has become a way of life unopposed by national authorities.

The new body will hear evidence from companies or other sources on alleged corruption, and, if necessary, will make its findings public in an effort to provoke official response. In many cases, the ICC suggests, bribery is the response to extortion. Enterprises too often have the upper hand, in many countries, of having a choice between giving in to extortion or not doing business.

Mr. Simon said: "This is the first mechanism that we have had to bring equity and

Comecon mid-plan report

THE FINANCIAL TIMES, Business Publishing Division, has just published a revised and expanded edition of the book "Economic Outlook 1987" by David L. Casellas, the newspaper's former East Europe Correspondent, called "Comecon mid-plan report."

The original volume was designed to provide an easily digestible and comprehensive analysis and breakdown of the current round of five-year plans under one cover. The revised edition examines how performance has matched the plan in the half stage.

It also incorporates a much more detailed breakdown of the foreign trade aspects of the various plans in response to requests by purchasers of the first volume for a more precise guide to the sort of areas where trade prospects were brightest.

The "mid-plan report" makes clear that performance over the first half of the plan period has been disappointing in many aspects requiring a major effort to meet the second half of the targets to be achieved. This is likely to result in a recovery in East-West trade reflecting the need for technology imports to satisfy the emphasis on higher productivity which underlies the current plan, and without which the targets will not be met.

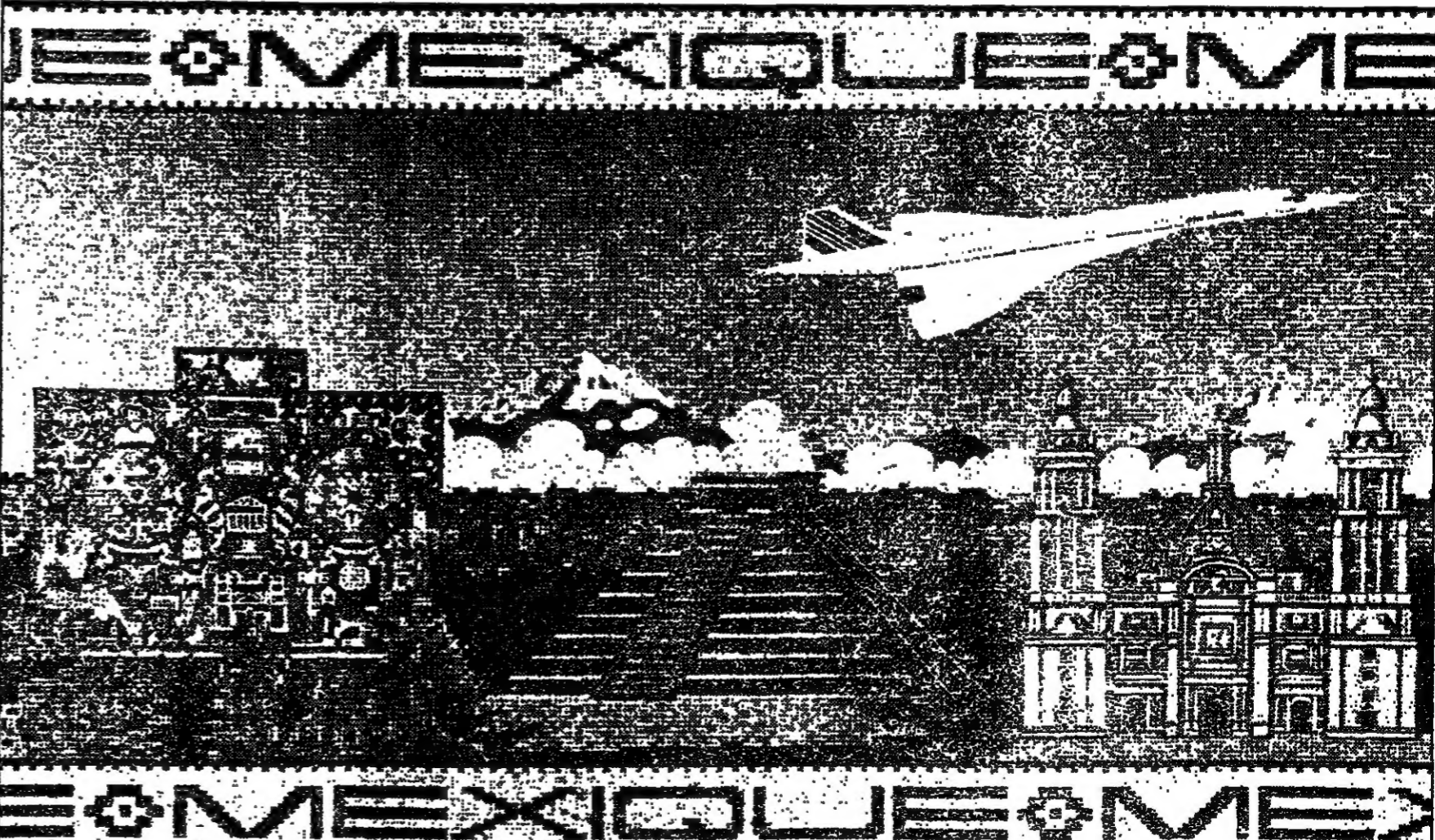
The slowdown in East-West trade over the last two years has largely reflected the desire to cut down trade deficits with the West in view of the high and rising foreign debt position. This will remain a constraint but ambitious Soviet plans for exploiting offshore oil and gas and the overall need to modernize vital sectors throughout Comecon detailed in this volume indicate the kind of changes that will be necessary if men can expect further business.

Comecon mid-plan report. Published by The Financial Times Ltd., Business Publishing Division, Mincing Lane, Arthur Street, London, EC4R 3AN. 300 pages at £50.

which has been discussing the problem for two years, draw up an international treaty on corruption. This, it is recommended, should lead to cooperation with all states.

The ICC also says that closer supervision of Government officials and agents involved in commercial transactions is necessary in many countries, and individual authentication of contracts would be avoided. It was, therefore, necessary that any system for awarding Government contracts would include the provision for disclosure to an independent body of the criteria upon which the award is based.

Concorde Mexico.




Concorde Mexico City. For the first time ever, you can take the new Paris-Mexico Concorde and arrive in Mexico City from Europe faster than by any other aircraft in the world. Only Air France offers you Mexico by supersonic Concorde. There are two flights a week, every Wednesday and Sunday, leaving Paris' Roissy-Charles de Gaulle at 8 pm and arriving in Mexico City at 8:40 pm, via Washington, D.C. Our Paris-Mexico route takes only 7 hours 40 minutes, as compared with the fastest subsonic flight, which takes 13 hours 30 minutes. You'll arrive in Mexico City relaxed, with the whole evening ahead of you.

Weeks Sun.	Schedules valid until 29th October	
8 pm (local time)	Paris Ch. de Gaulle	10:35 pm (local time)

Weeds Sun.			Schedules valid until 29th October		
6 pm (local time)		Paris Ch. de Gaulle		10.35 pm (local time)	
↓				↑	
8.40 pm (local time)		Mexico City		8 am (local time)	
			Thurs. Mon		

There are convenient connecting flights from London and Manchester to Paris. And at the other end of your flight, there are also interesting connections to Central America. Take advantage of the most convenient Europe-Mexico flight ever, aboard Concorde. It's the newest addition to our growing Concorde network, now regularly serving New York, Washington, Caracas, Rio and Dakar.

AIR FRANCE 
The best of France to all the world

Trade mission urges speed in bids to China

AT A conference held at the CEI headquarters in London yesterday members of the mission which accompanied Mr. Edmund Dell, Trade Secretary, on his visit to China last August, reported that speed was essential to British businessmen in approaching China, as the competition from Japan and other European countries was formidable. It was also necessary to be co-operative about marketing Chinese exports.

Areas where Britain should concentrate were mining equipment, petrochemicals, steel and steel plant, offshore oil, aerospace, railways, and ports. Small-

While the Chinese were prepared to do any deal under \$5m for cash, Lord Linerich, director of Kleinwort Benson, said contracts could now involve various forms of credit. ECGD is at present working out a form of buyer's credit acceptable to the Chinese. Compensation deals, which the Chinese were now trying out, were a further method

It also emerged at the conference that British Petroleum are to send a team to China later this year to discuss offshore oil

development. A Pye delegation will also visit China for 10 days beginning on October 10, at the invitation of the Chinese Electronics Society.

U.S. locomotives deal

THE semi-state-owned U.S. railway Amtrak has increased its orders to ASEA of Sweden for Thyristor locomotives. The initial order for eight locos was increased to 15, with it is understood, a further 15 locos bringing the total to 30.

The total value of the 30 locos is about U.S.\$73m. The first in the series of 15 will be delivered at the beginning of December next year and the last in October 1980.

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HOME NEWS

Midlands venue for top textile exhibition

BY ARTHUR SMITH

ONE OF the largest trade shows in the world is to be staged at the National Exhibition Centre, Birmingham.

The International Exhibition of Textile Machinery, planned for 1983, could generate spending in this country by visitors and exhibitors of about £100m, according to the Centre.

Yesterday's announcement ends 12 months of negotiation by the Centre and the British Textile Machinery Association to capture this prestige international show.

Basle, Switzerland, was the main competitor for the exhibition which is held in Europe every four years. The decision was taken by Comatex, a committee of textile machinery manufacturers representing the national trade associations of Belgium, West Germany, France, the UK, Italy, the Netherlands and Switzerland.

Mr. Terry Golding, chief executive of the Centre said that the announcement of the venue five years ahead of the event was a tribute to facilities in the Midlands.

The present 1m sq ft of exhibition space will have to be doubled with temporary buildings to accommodate the show which, Mr. Golding says, will be the largest ever staged in the UK.

Three orbit structures, plastic-coated skins over aluminium frames, will be erected. The largest building, with 500,000 sq ft of space, will be twice the size of the Centre's largest exhibition hall.

Sperry creates Bristol jobs

By James McDonald

SPERRY GYROSCOPE'S engineering design centre, opened in Bristol, yesterday, will create about 700 research and design engineer jobs over the next two to three years, in an area with 6.4 per cent unemployment.

The centre, in a 93,000 square feet office block — Temple Colston House, is leased by Sperry, part of Sperry Rand, of the U.S., specialising in navigational equipment.

inviting a response ("send 10p off now for a bumper issue of...") must not be aimed at children. Where they are directed at parents, they must not be shown before 9 pm.

There must be no unreasonable special effects which might suggest to a child that a toy can do more than it does. Children must not be encouraged to buy advertised products.

Programmes lasting less than half an hour and aimed at children must not be interrupted by advertising. At the moment the

Agreement on tariffs for Prestel system

BY JOHN LLOYD

PRESTEL, the Post Office's Viewdata service which will provide data through phone lines to home television screens, moved a step nearer yesterday when substantial agreement on tariffs was reached between the corporation and the Association of Viewdata Information Providers.

The agreement has still to be ratified by the Post Office Board, the Price Commission and the Post Office Users' National Council.

Although the Post Office refuses to give details of the tariff structure until the agreement has been cleared it is likely to be as follows:

● Users of Prestel will pay 2p per minute for the service, plus the cost of the phone call they make to call up the information required.

● Information providers will be charged by the Post Office on two different tariff structures: the "A" rate and the "B" rate.

● The "A" rate is designed for most of the providers, whose information needs to be updated frequently. They will pay a £4,000 a year service charge plus £1 a frame of information for a one-year contract £2,000 a year plus £3 a frame for a three-year contract and £2,400 a year with £2.40 a frame for a five-year contract.

● The "B" rate is for more static information—as an encyclopedia—which needs only occasional updating. Information providers on this rating will be charged £1,000 a year service charge, plus £1 per frame.

In addition, "B" rate providers will have 0.5p per frame deducted from their revenue to cover the higher costs of access-

sing the material, which will need special warehouse storage.

● The corporation will compute the cost of each call, and bill the users through the ordinary phone bill.

● The Post Office will also pass on to the information providers the revenue they earn from the use of their information levying a 5 per cent charge in doing so.

While the information providers clearly regard the agreement as good, the Post Office yesterday was annoyed that the association had released news of an agreement which the corporation did not regard as final.

Next week, the Prestel test service will be greatly extended when the London computer centre starts operating, complementing the smaller unit at Martlesham which began the service.

Steel deliveries improve

FINANCIAL TIMES REPORTER

SIR CHARLES VILLIERS, chairman of the British Steel Corporation, has repeated the corporation's objective of breaking even by March 1980, and has said that "some marked improvements" in delivery and quality.

The corporation is conservatively estimated to be heading for a £175m loss in the first six months of the current financial year.

Sir Charles, writing in Steel News, the corporation's newspaper, mentions improvements in delivery from the Dalzell, Scunthorpe and Port Talbot mills.

The Steelworks Group and Light Products in Sheffield, BSC's Tinsplate, Shelton, section mill and some of the tube businesses were "in the black," Scunthorpe and Cumbria works were "moving to break-even."

There was still widespread incidence of late delivery and incorrect documentation.

"Customers won't wait for ever. Nor will they for long tolerate bad service."

"There can be no real excuse for wrong invoices or incorrect labelling... what a way to finish a decent manufacturing job!"

"Despite improvements, BSC overall is still making immense

losses. I've got no help from the market for steel, which shows no improvement.

"BSC has the objective of getting to a rate of break-even by March 1980—Government, Parliament, the public and all of us know this."

"The countdown to viability has begun and there is a long way to go, but this is the time when 'the losing has to stop'."

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Bilton quits as managing director

BY CHRISTINE MOIR

MR. PERCY BILTON, the octogenarian chairman of Percy Bilton Limited, the property development and housebuilding group, has relinquished his post of managing director to two long-serving directors. They are Mr. Alan Smith and Mr. Ron Groom, who will now share the job.

Mr. Bilton took over the executive reins of the company in December, 1976, when he sacked the former managing director, Mr. Bryn Turner. Mr. Turner, who had been described as "gross neglect and irresponsibility."

At the time it was said that Mr. Turner had resigned, but at the annual meeting in June this year, Mr. Bilton broke an 18-month silence to reveal that he had fired Mr. Turner. Mr. Turner, who had been described as "gross neglect and irresponsibility."

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Stocks of domestic coal running low, say merchants

BY JOHN LLOYD

COAL MERCHANTS say that their stocks of domestic coal are running low and a severe winter or a miners' go-slow could mean serious shortages.

Mr. Tommy Thomas, director of the Chamber of Coal Traders, said yesterday: "In general, we cannot get the quantity of coal we would like, and we certainly cannot get the quality of coal we would like."

Merchants' stocks were significantly lower than at the same time last year. Stocks were especially low in the yards of the smaller merchants.

The National Coal Board admitted there was a shortage of bituminous (smokeless) coal, which makes up two-thirds of the domestic market of about 10m tonnes a year, but there was little or no shortage of smokeless fuels.

Mr. Colin Kibbler, managing director of NCC-Wesco, the second largest smokeless fuel manufacturer, said that there was a shortage of the larger grades of coal.

While the price of industrial coal rose by 15 per cent in April the rise was not passed on, as is customary, to the domestic coal market. This allows coal to merchants to stock up for winter.

At favourable rates. Their rise will be implemented by November 1.

There is traditionally a sharp upsurge in sales to coal merchants in the month before the increase is passed on. This year, it appears that the Coal Board is unable to meet that extra demand.

The collieries—which are individual accounting units—tend to favour industrial users paying the 15 per cent extra during the summer months.

At a time when the electricity market is taking more coal than ever, and when the domestic market is rising, production has only risen slightly and shortages have become widespread.

The Coal Board said it recognised that a problem existed and it was taking steps to divert production into the domestic coal market, especially in the north.

● The EEC Commission said yesterday that the UK's coal industry was the least subsidised in the Community by a massive amount. UK subsidies on a tonne of coal amount to 20p a tonne, compared with 55.60 a tonne in West Germany, 114.80 a tonne in France and 233.80 a tonne in Belgium.

He thought himself ultimately responsible to the Secretary of State and expressed surprise at the extent of the powers delegated to the Agents' head.

Informality

Sir Stephen explained the informality of control down the Crown Agents' management chain and confirmed that it was within the power of departmental heads to initiate new developments without reference to the board.

Sir Stephen told the Tribunal that in 1966-67 the board was encouraging the finance department at the Crown Agents to produce more revenue to build up internal reserves and that by August 1968 the Agents were borrowing money to a ceiling of £50m.

Creation of an investment vehicle, Flinvest, was part of this move and had been discussed in detail by the Board.

Commenting on the appointment of a representative in Australia, Sir Stephen rejected Mr. Rankin's suggestion that the move was intended to develop own-account investments there.

Summing up the day's evidence, Mr. Rankin said: "We have reached August 1968, the eve of Sir Claude Hayes's arrival as chairman, and the situation I think is this: The Crown Agents' Board was cognisant of the Flinvest operation."

New machinery

A. ARENSON, the wooden office and domestic furniture maker, has spent more than £800,000 on further automation to speed up production. The equipment is needed to meet the increased demand for grain printed furniture—mainly domestic units.

Energy Management Group, Commercial Division, Honeywell Limited, Bracknell, Berkshire. Tel: Bracknell 24555

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Finvest 'no secret for Board of Crown Agents'

By John Brennan

THE TRIBUNAL investigating the Crown Agents' £224m losses heard yesterday of the "conspicuously isolated responsibility" of the men at the top of the organisation.

Mr. John Rankin QC, representing former senior Crown Agent Sir Claude Hayes at the Tribunal, referred to a letter written by Sir Stephen Luke, Sir Claude's predecessor shortly before his retirement in 1968.

The letter noted that unlike a deputy secretary in a government department, the senior Crown Agent had no higher authority to consult. Sir S. when had written "at the back stops with me and everyone knows it."

Questioned by Mr. Rankin, Sir Stephen said that given the scope of the Crown Agents' often highly technical work, "I do not think that the senior Crown Agent could expect to master the technical details."

Commenting on his letter of appointment in 1959, which authorised the senior Crown Agent to take decisions on any matter, Sir Stephen said: "Seeing it again now I am rather surprised at the terms in which it is set out."

He thought himself ultimately responsible to the Secretary of State and expressed surprise at the extent of the powers delegated to the Agents' head.

Informality

Sir Stephen explained the informality of control down the Crown Agents' management chain and confirmed that it was within the power of departmental heads to initiate new developments without reference to the board.

Sir Stephen told the Tribunal that in 1966-67 the

A short-term loan can damage your health.

**The smaller business's biggest source
of long-term money.**

HOME NEWS

Ship trade faces 'period of attrition' into 1980s

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE SHIPPING industry is not on the verge of dramatic collapse, but faces a long period of attrition as the recession continues into the 1980s, a leading shipping banker said yesterday.

Mr. Roger Parsons, director of ship finance with Grindley Brands, told a conference sponsored by the Chartered Institute of Transport and the Financial Times, that the unfolding of the shipping crisis over five years had given banks time to foresee and plan for the difficulties of supporting their shipping clients.

The bankers' role would be in spreading the industry's problems over a longer period by renegotiating loans, while owners played for time in the hope that markets would improve.

There was unlikely to be any substantial market recovery before 1982 and the total indebtedness of the industry had risen from the \$85bn estimated in mid-1976. About half this debt is believed to be guaranteed by governments.

The banks had been to blame for aspects of the crisis, by financing over-speculative ventures and providing funds through widely spread syndicates.

This type of loan, although judged necessary by some because of the large capital sums involved in ship purchase, should not be encouraged because shipping loans required, even in healthy markets, constant and complex adjustment which was difficult to achieve if too many parties were involved.

"Where large amounts are involved, it is infinitely preferable to arrange credit through no more than three or four institutions with the necessary lending capacity and with prior experience of finance in this industry."

Bankers were being more careful about such matters as escalation clauses in ship charter contracts. They were also concerned to back companies which are well managed and own modern and diversified fleets.

"There can be little justification in providing support indefinitely for large, laid-up tankers."

There were bound to be fundamental changes in the industry, with more tonnage moving into the control of low-cost flags and greater influence from countries which control cargo allocation.

Mr. Roy Watts, director of finance and planning with British Airways, said that the airline industry would need to increase its operating margin from 4 per cent to about 10 per cent in order to meet the tougher, more competitive conditions ahead.

In the next 10 years, the size of the market was expected to double and, allowing for economies to be made in higher load factors, airlines would have to find \$80bn in extra resources to finance expansion and re-investment.

Atlantic traffic up 25.5%

By Michael Donne, Aerospace Correspondent

AIR TRAFFIC between Britain and the U.S. in the first six months of this year was up by 25.5 per cent, according to the British Airports Authority.

Scheduled air traffic, boosted by the introduction of cheap fares, was up by 44.7 per cent, but charter traffic fell by 27.7 per cent.

During August, Heathrow handled 2.7m passengers, an 18.7 per cent increase on last year. Passengers at Gatwick rose by 21.5 per cent to just over 1m, and Stansted had 347,000, a 24.5 per cent increase.

For the 12 months to the end of August, there was nearly 42.7m passengers at the South-East airports, a rise of 7.5 per cent, while aircraft movements rose by 4.1 per cent to 351,800.

Passenger traffic at all the UK airports owned by the Authority reached nearly 37.2m over the 12 months, a rise of 7.4 per cent, with aircraft movements up 5.5 per cent at 478,000.

CONTRACTS

£5½m housing development at Hackney

Work has restarted on the first stage of a major GLC housing development at Broadway Market, Hackney, London, E8. A. & J. SYMES CONSTRUCTION (a John Willmott Group company) has taken over the work on a re-negotiated contract worth £5½m following the failure of the original contractor. The development comprises 288 homes and two shops on a 12-acre site.

Involved in the development is a mix of traditionally constructed one to four-bedroomed houses, and modernist houses in blocks of up to four stories high. Old people's homes included. The 20-month contract includes extensive external works, such as roads, paths, play areas and gardens.

HONEYWELL INC. is to build in the U.S. what is believed to be the world's largest experimental latent heat thermal storage system. Plant will be constructed under a \$22.7m (£22.0m) contract at the Northern States Power Company Riverside generating station at Minneapolis.

To demonstrate the feasibility of storing excess heat energy for use when required, it should be complete by the end of the year, with testing and evaluation continuing until August, 1979. Using high pressure steam from either the power station or solar

At present rates of return, airlines would be able to internally finance only half this requirement (compared with between 65 and 75 per cent now) and would consequently face problems meeting debt obligations from revenue generated.

FT INTERNATIONAL TRANSPORT CONFERENCE - DAY 3

tion through shortage of loan capital. But the need for wider margins happened at a time of de-regulation in the industry and when competition was getting stronger. Moreover, the growth prospects were in the lower, non-business end of the market, involving cheaper fares.

It was essential to improve load factors efficiency and productivity throughout the operation. Mr. James Duncan, chairman of the Transport Development Group, spoke in favour of maintaining the UK's liberal licensing system for road haulage—a system under review by the Foster Committee.

"The industry's declining fortunes in recent years were a product of the industrial recession through shortage of loan capital."

Further cuts in air fares advocated

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.S. Civil Aeronautics Board, which governs the activities of U.S. domestic and international airlines, believes that there is room for further reductions in transatlantic air fares, rather than for the increases now being sought by some airlines on the route, such as British Airways and Trans World Airlines.

Mr. Alfred Kahn, chairman of the board, whose advocacy of cheap fares has been one of the main factors behind the past year's low-fare developments on that route, competition remained concentrated in the low-fare area.

"Regular tourist fares remain high on a per-seat-mile basis," he told the conference. "If competition were effective, it would surely take the form of reduction in the tourist fares themselves—specifically for simple point-to-point transport, with separate charges for multiple stops."

"The fact that the carriers on the North Atlantic do not seem to be earning high—or possibly even satisfactory—profits does not invalidate the inference of ineffective competition when the regular fare-paying traveller is forced to pay rates that cover

Buying British not always best—Which?

FINANCIAL TIMES REPORTER

BUYING BRITISH regardless of price or quality is no way to solve the country's economic problems and is unrealistic for a country, like the UK, deeply involved in international trade, according to Which? magazine of the Consumers' Association published today.

The magazine advises British producers to concentrate on improving the design and reliability of home goods "by producing them on time and at competitive prices."

People who bought British for patriotic reasons were unrealistic. In some product lines it is almost impossible to buy a British product—binoculars and SLR cameras, for example.

While other products, buying British would mean a very limited choice. Just four out of a total of 351 sewing machines in the magazine's latest market survey were made in Britain and only eight out of 32 refrigerator freezers were British.

Even products bearing the label "Made in Britain" might

consist largely of imported components assembled here "in so-called screw-driver factories."

Shopping around to find the cheapest grocery store could save a family of four the high annual grocery bill, Which? estimates in another article.

The results of the survey—involving a team of shoppers who visited 127 grocery shops in the country in June—showed that the South West has the highest price difference while prices varied least in Northern Ireland where there were fewer chain stores.

The most expensive cars to keep on the roads are the high-end, luxury models. The 3.4 model cost £86 a week—£21.50 for running costs including petrol, repairs, servicing, road tax and insurance—and £44.50 in capital costs. The cheapest—probably because they depreciate less quickly—was the Fiat 128 which only cost £17 a week—£8.50 for running costs and £3.50 a week capital loss.

Emeco (GB), manufacturers of mining and tunnelling equipment, have ordered a fifth GIDDINGS AND LEWIS-FEASER production line, bringing its total investment in Arbroath-built machines, since the first was installed 18 months ago to more than £450,000. The Model A130 boring, milling and drilling machine now ordered will have a built-in fence, hole further extending its work range.

SYSTEM FLOORS (UK) has recently been awarded contracts to the value of £230,000 for raised floors. The largest were for the South of Scotland Electricity Board's new computer centre in Glasgow, the new district office in Staines, for Southern Electricity, Churchfield Telephone Exchange, Cork, for the Commissioners of Public Works in Ireland, and the Cardiff Colour Television Studios for the BBC.

Refrigeration equipment valued at almost £200,000 is being supplied and installed at the Birds Eye factory in Kirby (Lancs), by GRAM REFRIGERATION (GB), Orpington, Kent. The contract includes all associated pipework, thermal insulation and electrical control panel and wiring for the

Agency plans more aid for small companies

By Ray Fernan, Scottish Correspondent

A STRATEGY is being prepared by the Scottish Development Agency for its investment in small businesses, which employ more than half the workforce of the border.

When it was formed three years ago, the agency took over the Small Industries Council for Rural Areas in Scotland and has expanded its activities. It has helped companies in urban areas and increased the aid limit to £50,000, or 80 per cent of the cost of any one project.

But the agency, which is the Scottish counterpart of the National Enterprise Board, wants to take the work of its small businesses division much further. A report from the strategic planning unit is going to the board for approval at its next meeting.

It is believed to call for more help on providing risk capital, particularly for businesses involved in advanced technology or entrepreneurs with ideas that need developing.

The agency also wants to extend its equity lending, which is now limited in the small company field. By 1981 it expects 15 per cent of lending to small businesses to be on equity terms.

It also wants to help groups of employees made redundant to start their own companies.

So far, £12m has been lent to small businesses. But the number of approved each year is rising. Last year 68 projects received loans totalling £700,000. Next year the agency expects to be lending more than £1m.

Sharp rise

Mr. Edward Cunningham, director of the agency's strategic planning unit, told a conference of managers yesterday that although the rate of the increase would be due to inflation, the number of individual loans would rise sharply this year and next.

Last year just over half the loans approved were for working capital, a reflection of the difficult economic circumstances. Only 30 per cent went towards buying new equipment and 17 per cent for workshop or factory expansion.

A survey showed that three-quarters of the small companies approached for help. Most wanted financial aid, but a large proportion needed management and marketing advice.

Midlands doubt on prospects

By Arthur Smith, Midlands Correspondent

DOUBTS about the optimistic prospects for the economy suggested in recent national surveys are expressed by the West Midlands Chambers of Commerce.

Results of a survey of Midlands companies published today show very little change in attitudes from the position three months ago. The only bright spot is a small improvement in the level of export deliveries.

The Chambers of Commerce report that, contrary to recent national surveys by the Confederation of British Industry and the Financial Times, the consumer spending boom has not yet had any real impact on the order books of local industry.

Only minor improvements are suggested by answers to questions about the level of business activity, labour recruitment over the next three months, and investment in plant and machinery.

More than half the 300 respondents are confident that turnover would improve. The factors companies thought would be most likely to improve their business prospects were: higher productivity and a lower inflation rate.

To keep expenditure within budget, CARRIER-ROSS has designed a low-cost ventilation system for the "Carroll-twin" twin-wire paper machine being installed at Mill, Stirling, Scotland.

£70,000, a canopy hood and attendant make-up and exhaust facilities is to be installed instead of the more usual basement underlet. This dispensed with the need for extensive excavations.

THE FAIR-AIR GROUP, a subsidiary of Tabco, the industrial holding company, has won a contract to supply air conditioning equipment to Museum Oman. The contract is valued at about £250,000.

Growth from 'lame ducks'

It is now nearly three years since the National Enterprise Board formally came into existence and began business under the chairmanship of Lord Ryder as a fairly muted version of the interventionist animal originally conceived by Labour Party policy makers.

Since November 20, 1975 as yesterday's half-yearly results show, it has amassed a portfolio of 32 companies. Starting with the "lame duck" companies inherited from the Government (accompanying table), first under the chairmanship of Lord Ryder and then under his former deputy, Sir Leslie Murphy, who took over in August last year.

With a total Government budget of £1bn, the NEB's growth has been gradual. By the end of 1976 it had 13 companies with £550m assets and at the end of last year it had reached 33 companies and £1,132m assets.

At first glance its acquisitions with little rationale linking them. However, the NEB sees its business, concentrated mainly on manufacturing industry, in clear terms.

It explained in a new publicity booklet yesterday that it is "particularly interested in proposals which contribute significantly to exports, import substitution, employment growth or advanced technology." It also gives a pragmatic view of the NEB's evolving strategy of encouraging the expansion, modernising, or restructuring of certain key industries.

As the table shows, these aims have led to the formation of a list of nearly 20 companies involved in computers and electronics.

They include the controversial INMOS project to break into the new technology of manufacturing micro-chips for the INMOS Data Systems company set up to export computer software into the U.S., and a number of other acquisitions in addition to the inherited companies, ICL and Ferranti.

Computers and electronics is the only clearly identifiable industrial area in the portfolio. The rest of the companies owned fall under more general headings.

There are, for example, the export-orientated businesses—

NEWS ANALYSIS

NATIONAL ENTERPRISE BOARD

BY JOHN ELLIOTT

base already exists. The NEB's normal policy is to provide share capital in a form which enables the existing shareholders to retain control. The NEB prefers not to buy out but to provide its money alongside the existing shareholders," the booklet says.

It also points out that arrangements can be made for shareholders to buy the NEB out at the end of a specified period.

While it prefers to take equity stakes, the NEB does make loans to its companies and by the end of last month it had outstanding loans totalling about £230m, ranging from £10m to £1m and £25m to £50m in companies such as Aquila, Hydraroll, Pakmet, and Thwaites and Reed.

The NEB operates within general financial criteria laid down by the Government which state that it should make a 15 to 20 per cent return on capital employed on all its investments taken together (apart from BL and Rolls-Royce which are treated separately) by 1980-81.

The NEB is run by a Board led by Sir Leslie as full-time chairman and Mr. Richard Morris who joined as full-time deputy chairman from Courtauld.

Sir Leslie takes direct responsibility for the main "lame ducks" state that it should make a 15 to 20 per cent return on capital employed on all its investments taken together (apart from BL and Rolls-Royce which are treated separately) by 1980-81.

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There are nine part-time board members—four industrialists, four union leaders and one management consultant.

There are 53 staff, about half of whom have clerical and other support jobs while the rest are executives recruited mainly

Support staff

There are eight other posts at the same level in the NEB hierarchy as the divisional directors. Two of these are the regional directors in Newcastle and Liverpool who have a staff of four or five each.

In London there is also a finance director, a planning director, a director of information, and the Board's secretary who, as a career civil servant on secondment from Whitehall, is in charge of the regular contacts between the Board and Government Departments.

The final two posts are the heads of the support staff for BL and Rolls-Royce, each of whom has a staff of one executive and one secretary.

The job of all these staff is to monitor their companies' progress and to give advice where necessary, especially when top management changes are considered necessary. They also look for new acquisitions and investment opportunities.

THE BOARD'S PORTFOLIO

COMPANY	BUSINESS	PRESENT NEB HOLDING OF SHARES %	COST £,000	DATE ACQUIRED
SHAREHOLDINGS ACQUIRED FROM THE GOVERNMENT				
SUBSIDIARY COMPANIES:				
BL (British Leyland)	automotive products	98.9	695,523	February 1976
Cambridge Instruments	scientific and medical instruments	79.7 (voting)	5,020	February 1976
Ferranti	mechanical, electrical and electronic engineering	100 (non voting)	500	February 1976
Herbert	machine tools	80 (voting)	4,000	February 1976
Rolls-Royce	acero-engines	100 (non voting)	2,467	February 1976
			36,196	February 1976
			203,000	February 1976
ASSOCIATED COMPANIES:				
Brown-Boveri Kent	Industrial instruments	20	3,293	March 1976
Dunford & Elliott	steel manufacturers	Sold April 1978		February 1976
ICL	computers	24.4	12,134	February 1976
SHAREHOLDINGS ACQUIRED UNDER THE CHAIRMANSHIP OF LORD RYDER				
SUBSIDIARY COMPANIES:				
Data Recording Instruments	computer peripherals	63.1 (ord.)	3,977	July 1976
INMOS Data Systems	computer products and services	100.0 (cum. red. conv. pref.)	1,000	March 1977
Keland Electronics	electrical transformers	100	1,450	February 1977
Mollart Engineering	precision engineering	100	100	April 1977
Sinclair Radionics	micro electronics	70.6	382	November 1976
Thwaites & Reed	clockmakers	73.3 (ord. and cum. part pref.)	450	
UMEDCO	medical instruments	100 (non vtz. cum. red. pref.)	1,500	May 1977
			477	March 1977
			250	
ASSOCIATED COMPANIES:				
Agemaspark	spark erosion machines	30 (ord.)	100	September 1976
Aquila Products	shower heads	100 (cum. red. pref.)	50	March 1977
		40 (ord.)	4	
		100 (cum. red. pref.)	65	
British Tanners Products	tanning	50	2,000	May 1977
R R Chapman (Sub-Surveys)	unmanned submersibles	47.2	50	January 1977
Computer Analysis & Programmers (Holdings)	computer software systems	29.9	549	April 1977
Hydraroll	vehicle loading equipment	48.9 (ord.)	5	June 1977
		100 (cum. red. part pref.)	67	
Pakmet International	packaging machinery	34.4 (ord.)	40	April 1977
Syntax	computer hardware and software	100 (cum. conv. red. part pref.)	200	July 1977
Twinkl	office equipment	28.1	538	September 1976
Pitcraft	mining machinery	32.3	997	July 1977
Reed & Smith	paper manufacturers	Sold July 1978		November 1976
		Sold December 1977		
OTHER INVESTMENTS:				
Francis Shaw	process machinery	100 (preferred ord.)	546	May 1977
SHAREHOLDINGS ACQUIRED UNDER THE CHAIRMANSHIP OF SIR LESLIE MURPHY				
SUBSIDIARY COMPANIES:				
Fairley Holdings	engineering	100	18,000	January 1978
INMOS	micro electronics	47.3	92	August 1978
Systems Programming Holdings	computer services	100 (preferred ord.)	250	October 1977
		30 (voting)	600	
Bull Motors	variable speed electric motors	100 (non-voting)	500	October 1977
United Medical Enterprises of UMEDCO	medical equipment exporters	70	5,774	March 1978
ASSOCIATED COMPANIES:				
Automation & Technical Services	communications equipment	30 (ord.)	50	April 1978
Computer & Systems Engineering	communications equipment	100 (part cum. red. pref.)	800	June 1978
		49.5 (ord.)	82	
Hivent	air pollution control equipment	3.0 (cum. red. conv. pref.)	48	
J & P Engineering	electronic and mechanical engineering	32.3	100	July 1978
Mayflower Packaging	packaging machinery	33.3 (cum. red. part pref.)	60	December 1977
North East Audio	audio equipment	100 (cum. red. pref.)	60	October 1977
		49.8 (ord.)	99	
Power Dynamics	tube bending machinery	100 (cum. red. part pref.)	340	February 1978
		32.2 (ord.)	120	
Sandiac Electronics	control system engineers	100 (cum. red. part pref.)	40	September 1977
		30 (ord.)	125	
Systems Designers International	computer software systems	100 (cum. red. part pref.)	125	January 1978
Negretti & Zambra	process control equipment	26	184	September 1978
		29.8 (deferred ord.)	710	
Powerdrive PSR	power transmission systems	100 (red. conv. pref.)	461	September 1978
		40 (ord.)		
		100 (cum. red. part pref.)	270	
		100 (cum. red. conv. pref.)	75	September 1978
		—42.9 ord. voting		
		100 (cum. red. part pref.)	100	
		100 (cum. red. part pref.)	125	
		50 (ord.)	125	
OTHER INVESTMENTS:				
Barrow Hepburn	chemical engineering merchanting	4.7	450	February 1978
BTE (Engineering)	specialised vehicles	50 (cum. red. part conv. pref.)	30	July 1978
Hendings Plastics	pharmaceuticals plastics	100	100	August 1977
Hind-Brown	photo-electric controls	100	250	April 1977
Victor of London	sports equipment	100	140	March 1978
INVESTMENTS NOT YET FINALISED				
Monotype Corporation	printing equipment	37.5 (ord.)	250	
		(conv. loans)	3,250	
Ferranti Resin	impregnated tubes, glass fibre tanks, etc.	49	294	
Logica	software office systems	20 to 30	no details	

UMEDCO subsequently became part of United Medical Enterprises on that company's formation in March 1978. † Signifies Northern regional investment.

Grants and Incentives

The whole of Wales is an assisted area. Which means that by moving or expanding into Wales you could benefit from the wide range of Government incentives available.

Wales also has the advantage of being the closest assisted area to London and the Midlands and is therefore very close to 250 million Community customers. So you won't lose tabs on important markets by moving.

Investment Services

In addition, we at the Welsh Development Agency can provide finance in the form of loans and/or equity capital to help you establish in Wales.

Factories

We have a wide range of fully serviced factories ready for immediate occupation throughout Wales.

Ranging from 1500sq.ft. to 50,000sq.ft.

They are let at competitive rents and in certain areas there are rent free concessions.

Or, if you prefer we can build a factory to your requirements.

Communications

Getting to and from Wales has never been easier.

Rail links serve all parts of Wales, connecting with the North, the Midlands and the South East. The Inter-City 125

passenger service has shortened the journey from Cardiff to London to under 2 hours. Fast streamlined transit is provided by Freightliner services, while Speedlink offers an overnight freight service to most parts of Britain and Europe.

Much is being done to upgrade and improve the roads throughout Wales. The M4 reaches into South West Wales providing a direct route for the passage of goods to the London area and the Midlands.

Cardiff Wales Airport is now the regional airport of the South West. And, having the benefit of the interport removal centre, fast and efficient through movement of goods is ensured.

Well-equipped Welsh ports handle a large percentage of Britain's imports and exports.

Companies already in Wales

Perhaps the best incentive of all for moving to Wales is the experience of the companies who have made the move already.

Remember for instance the huge expansion plans of Ford and Hoover currently under way.

Many other companies have also found that moving to Wales has proved successful. So you certainly won't be alone in deciding on Wales.

Advice

We can advise you on the many Government incentives available.

We can advise you how best to set about meeting your workforce needs.

We can advise you on the areas that will suit you best in terms of availability of factories and closeness to markets.

And if you'd like to know more about the advantages of Wales, take our advice: post the coupon.

Welsh Development Agency

To: The Welsh Development Agency,
Treforest Industrial Estate, Pontypridd,
Mid Glamorgan CF37 5UT.
Tel: Treforest (044 385) 2666. Telex: 497516.
Please send me more details on:
Agency Investment ☐ Factories Available ☐
Re-Location Advice ☐

Name

Position

Nature of Business

Company

Address

Tel:

167

What sort of carrot will it take to persuade you to move to Wales?

HOME NEWS

Hunterston third nuclear power plant considered

By Our Glasgow Correspondent

A THIRD nuclear power station is being considered by the South of Scotland Electricity Board for the Hunterston peninsula in the Strathclyde region.

The board, which is about to start work on its £750m advanced gas-cooled reactor (AGCR) station, is also considering building a new coal-fired station when existing plant becomes obsolete.

These developments, coupled with present plans for the North of Scotland Hydro-Electric Board for a 1,500 MW pumped storage station at the North End of Loch Lomond, are intended to meet an expected increase in demand within the 1980s.

Final decisions on whether the Hunterston "C" station and a new coal-fired station go ahead will depend on demand, load and the performance of the national economy through to the early 1980s.

Capacity

The Electricity Board wanted to build a third Hunterston station, to join the existing "A" and "B" AGCR units generating a total of 1,500 MW for some years but has not been able to find a suitable site because of the British Steel Corporation's long-term plans for a big integrated steelworks on the peninsula.

The latter project has been ruled out for the foreseeable future and the Board has started talks to find a possible site for a coal-fired station. Initially, its installed capacity would probably be of 1,200 MW with room for further expansion.

The board will also have to decide whether to continue with the familiar AGR system or switch to the newer pressurised water reactor.

It is likely to be next decade before any decision is made on building a new coal-fired station, and that will partly depend on the output and pricing of the National Coal Board's Scottish area.

Radiation link with cancer dismissed

By John Lloyd

A CONTROVERSIAL U.S. study on the dangerous side-effects of radiation on workers at atomic plants is largely dismissed today in a report by the National Radiological Protection Board.

The Board's report comes as fears over radiation levels have been heightened by the discovery in August of plutonium dust contamination of 12 workers at the Atomic Weapons Research Centre at Aldermaston, Berkshire.

Sir Edward Parnham, an authority on radiology and consultant to the Board, is conducting an inquiry into the Aldermaston contamination levels. His findings are expected shortly.

The U.S. study—known as the Mancoske report—after its principal author, Dr T. Mancoske, was published last November. It claimed to show a strong link between low levels of exposure to radiation and certain cancers.

The findings implied that radiation caused these cancers at rates between 20 and 100 times higher than suggested by the International Commission on Radiological Protection, the world authority on the subject.

Dr J. A. Reissland of the Radiological Protection Board concludes, however, that the Mancoske study greatly overestimates the dangers of radiation as a cancer-causing agent.

He adds that there is no evidence to support the claim that the International Commission's rates are underestimates.

Dr. Reissland further claims that when the Mancoske study's data are adjusted for recent cancer death rates and the rising number of cancers in the U.S., most of the links between radiation and cancer claimed by the study disappear.

However, cancer of the pancreas and the bone marrow disease, multiple myeloma, remain "with a statistically significant excess."

Europe urged to heed managers' voice

EUROPEAN COMMUNITY institutions should listen more to professional managers when framing their policies, Mr. Michael Shanks told the British Institute of Management conference last night.

Mr. Shanks, former director-general of Social Affairs on the EEC Commission, told the Institute that the European Community should be aware of the need to create conditions in which management performance was optimised.

"If the European community may be better to pay small amounts to claimants who do not foster economic growth and a need than to pay substantial better quality of life, the quality of European management must be raised," he said.

He pointed out that the Community had not recognised the voice of professional management as valid.

Professionals, he said, had views and interests which were separate and distinct from those of owners and unions.

Whitehall criticised over computer deals

BY ROBERT CORNWELL, LOBBY STAFF

WHITEHALL was taken severely to task yesterday for the sloppy financial controls it applied when operating a preferential purchasing policy in buying untested and unproven international computers for the Ministry of Defence.

The case, which was investigated at length by the influential Public Accounts Committee of MPs from all parties, involves the procurement in 1972 of ICL 2900 computer systems, which subsequently ran into long delays and substantial cost overruns.

The Committee, which acts as Parliament's watchdog over spending by Whitehall Departments, expresses astonishment in its latest report, issued yesterday, that Ministers were not presented with a full picture of the risks involved with the ICL equipment before instructing that the project be continued.

Mr. Edward du Cann, the chairman, made clear last night that he had no quarrel with the preferential purchasing policy itself, which was vital to secure a sound British computer industry, but it came as a shock to us that Ministers were not properly briefed before acting.

Final tests of the equipment, which apparently is now working properly, were not completed until June last year, compared with the original deadline of April 1976, laid down in the contract with ICL. The Defence Ministry estimated the total extra cost exceeded £10m.

This figure was not endorsed by the Civil Service Department's Central Computer Agency (CCA) in charge of monitoring the ICL contract, on the grounds that high risks could not be costed properly.

The committee's report says: "We consider that it was a negation of sound administration for the CCA to shut their eyes to the financial effect of every element of delay, thereby depriving Ministers of the opportunity of seeing as full a picture as possible."

Moreover, the preconditions of satisfactory price, performance and delivery, attached to the preferential policy, were intended to be a protection against excessive extra costs.

"We hope that in future CCA will be able to operate this policy without Ministers having to override its qualifying conditions."

The Department of Industry is also urged to take a tougher line about repayment of Government aid to ICL now that the company has become more successful.

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Further study to be made into finance of housing groups

THE COMMITTEE is to launch a further inquiry into the finances of housing associations, as a first step towards making their parent body, the Housing Corporation, fully accountable to Parliament.

This new investigation seems certain to reassemble for the new session.

The report follows the disturbing findings set out in a committee report issued yesterday on the strength of a preliminary look at the affairs of certain associations.

The MPs have received copies of investigations by the corporation into the affairs of two such bodies, the Trinity Housing Association and the Single Parent and Child Housing Association, and has asked for copies of nine other probes now being made.

The report says that the documents already available to the committee "present a disturbing picture which could involve the misuse of public funds."

It also complains at the confidential status of the accounts of housing associations, which receive large sums of public money.

Housing Associations, under the 1974 Housing Act, are entitled to grants from the Environment Secretary, relating to spending on approved projects.

These grants, for which £500m was provided in 1977-78, cover more than 80 per cent of such projects.

The all-party committee which is perhaps the most respected Parliamentary monitor of Whitehall's use of taxpayers' money, is launching its investigation into the housing association as a test case in its campaign to bring bodies like the National Enterprise Board and, in this case, the Housing Corporation, firmly under Parliamentary control.

The corporation, last night, welcomed the committee's report and said it would like to see more efficient arrangements for grants administration.

It was prepared to accept the fullest responsibility which the Environment Department was willing to entrust.

It said: "The corporation believes this would lead to a quicker turn round of work and give greater reliability."

In addition, subject to the wider constitutional implications which would no doubt need to be considered, the corporation would welcome any additional arrangements which would enable it directly to demonstrate to Parliament its accountability for the supervision and control of registered housing associations.

So far as its powers to investigate associations were concerned, it was its policy to proceed "without fear or favour" to deal within its powers under the 1974 Housing Act with any cases of misconduct or serious mismanagement which came to light.

It is also policy to acquaint the police with any information obtained during a statutory investigation which the corporation considers to be prima facie of interest to them.

The corporation notes that the committee had access to two reports of investigations but it was apparently not aware of the consequential action which was taken and which would, in the corporation's view, have dealt with some of the committee's concerns.

According to the corporation, the chairman of the Trinity Housing Association was removed from his post and the rest of the committee and the director resigned. A new caretaker committee had been appointed to restructure the association.

In the case of the Single Parent and Child Housing Association, the corporation involved were being transferred to other registered housing associations.

Mr. Edward du Cann said last night that the fact that the UK was in this case drawing a slight advantage was no excuse for not seeing that controls were as tight as possible.

The committee reported earlier this year that fraudulent claims amounted to only £26m in 1973-74, or one penny for every £5 disbursed as benefits by the Department.

This could help to "entranchise the great body of the public who at present are understandably frightened by the rapid pace of change and bemused by a succession of disputes whose rights and wrongs they cannot judge."

Mr. Chander, made his suggestions at a dinner of petroleum equipment manufacturers in London last night, that he was not hesitating against collective bargaining, nor against the rights of parties to settle pay matters themselves.

What he was proposing was that bargaining and disputes should be conducted within the framework of better public understanding which would set some limits and allow a participation — however indirect — by people who otherwise are simply innocent bystanders and possible sufferers.

He also considered that the council's debates should be used to build up a national consensus about the need to improve productivity in the general industry, and adopt new technologies, as well as about pay.

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LABOUR AT BLACKPOOL



Reports by John Hunt, Ivor Owen, Elinor Goodman, and Philip Rawstone. Pictures by Terry Kirk.

Inquiry call on oil sanctions

BY PHILIP RAWSTONE

IN ANGRY unanimity, conference demanded a full public inquiry into the breaking of Rhodesian oil sanctions.

"It is a matter of integrity," Mrs. Judith Hart declared in response to a chorus of protests from the floor.

The short emergency debate reflected the deep wounds inflicted on the Labour Party by the Bingham Report disclosures.

Labour's reputation and credibility had been seriously damaged not only in black Africa but throughout the third world, delegates complained.

Mrs. Mary Panko, a delegate from West Aberdeenshire, said she might have expected such behaviour from a Tory Government. But she added, to

cheers, "I'm damned if I'll see it from a Labour Government."

Sir Harold Wilson, perhaps wisely, spoke on the subject in London instead of coming to Blackpool. The former Prime Minister's name was mentioned only once—and it roused a painful groan.

That was when Lord Brockway, the veteran anti-Colonialist, told how he had gone to the Labour Government in 1967 with a detailed statement from President Kaunda on the evasion of sanctions.

Lord Brockway said he had been told the details were fabricated and that no British oil companies were supplying oil to Rhodesia.

The party's integrity demanded a

full investigation with all the Cabinet and other documents available to it, he declared, amid applause.

Dr. David Owen, Foreign Secretary, assured delegates there would be no cover-up.

"The Government and the country must face up to the implications of the Bingham Report," he said.

One of its consequences had been the denigration of trade sanctions as an effective but peaceful weapon against intransigence, he said.

Confidence, backing his call to resist such defeatism, endorsed the National Executive's demands, not only for sanctions against Rhodesia to be strengthened but for their extension through the United Nations to South Africa.

TUC will make first move on pay —Basnett

MINISTERS gave an enthusiastic welcome to an announcement by Mr. David Basnett, general secretary of the General and Municipal Workers Union, that the TUC was to make the first move in seeking talks with the Government to resolve the clash over pay policy.

But in bringing forward proposals from the TUC in his capacity as immediate past chairman he ruled out a rigid pay norm.

Mr. Basnett insisted that pay talks in this round must allow for flexibility.

He won applause in reaffirming the continued loyalty of the TUC to the Labour Party and scuffed at suggestion that this was called into question by the differences over incomes policy.

Mr. Basnett described the Prime Minister's speech on the day following conference's rejection of the 5 per cent pay ceiling as "remarkably democratic."

He then said the TUC general council had decided to make the first move in starting fresh talks with the Government.

He said they wanted to get out of the present impasse.

The message from the TUC congress at Brighton had been clear—it wanted a return to voluntary collective bargaining.

"That is not a disagreement about whether we want to contain inflation or not. It is not an argument about whether we want to bring down unemployment or not."

"It is not about whether we want to improve our members' standards of living or not. We do."

"It is an argument about how we do these things."

Mr. Basnett acknowledged the differences between the TUC and the Government, but warned the Tories not to try to exploit them.

"They should be reminded that elections are seldom fought on the problems of a particular moment. The alliance between the trade union movement and the Labour Party remains firm."

Left repulsed in bid for new re-selection vote

LEFT-WING ATTEMPTS to raise again the whole question of the re-selection of MPs were put down yesterday by Miss Joan Lester, conference chairman, with the efficiency of a woman used to dealing with rebellious children kicking against what they regard as unfair rules.

Miss Lester, a former nursery-school teacher, suggested that the dozen or so delegates, mostly calling for another vote on the issue, should learn how to be decent losers, and allow everybody else to get on with their work. What was needed in the hall, she said, was a little democracy.

Democracy was precisely what those creating the disturbance claimed they wanted. In their view, they have been out-maneuvred by Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, in a thoroughly undemocratic way.

Instead of casting his decisive vote on Tuesday in favour of the mandatory re-election procedure for sitting MPs, as he had been instructed to do, Mr. Scanlon abstained on the key vote.

As a result, conference adopted the compromise proposal put forward by the National Executive Committee, and the Left lost its plans for ensuring that no constituency party was ever lumbered with the likes of Mr. Reg Prentice, of Newham North-East fame, ever again.

Members of the left-wing Socialist Campaign for Labour Victory rallied to the rostrum, shouting decidedly unbecomingly remarks about Miss Lester and demanding another vote.

Miss Lester was unmoved. Ordering the rebels back to their seats, she threatened to adjourn the conference if they did not behave. There was no question of another vote, simply because Mr. Scanlon had not his mandate in a twist, she argued.

Eventually, peace was restored, but as the afternoon wore on, there were signs that the matter was not yet closed, and Miss Lester and Mr. Scanlon were to be seen in deep conversation on the platform.

Unaware of this ruling, a constituency delegate got up after lunch and demanded another vote on the subject, but Miss Lester launched instead into the scheduled debate on race.

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Cabinet papers must be available, say delegates

CONFERENCE GAVE virtually unanimous backing to a NEC statement urging that Cabinet papers and company documents relating to the supply of oil to Rhodesia in defiance of the ban imposed by sanctions legislation should be made available to a wide-ranging public inquiry.

An emergency resolution calling for the prosecution of those implicated in sanctions breaking was overwhelmingly approved.

There was full support, too, for proposals made at the UN for mandatory oil sanctions to be imposed against South Africa as a first step towards an embargo on all trade with the republic.

But it was the doubts cast on Britain's integrity by the supply of oil to Rhodesia during the period of office of both the Wilson and Heath governments which dominated the debate. Delegates were insistent that there should be no cover-up and no British equivalent to Watergate.

The disclosures in the Bingham report that despite sanctions oil was supplied to Rhodesia by British companies, including Shell (Petroleum Supply) and BP, in which the Government has substantial holdings, were roundly condemned.

Mr. David Owen, Foreign Secretary, was cheered when he declared: "The Government and the country must face up to the implications of that report."

But he warned that reprimands over the past should not be allowed to obscure the dangerous developments, in and around Rhodesia, which made it imperative to secure progress towards the participation of the Patriotic Front in an all-party agreement.

Mrs. Williams reminded conference that 83 per cent of the nation's children were in comprehensive schools.

Action was being taken through the courts against Tory councillors defying the legislation, but she could not anticipate the outcome.

Her announcement of legal proceedings against Tory councillors was loudly applauded, but she told delegates "don't clap too quickly. We cannot forget the Thameside decision."

Mrs. Williams also attacked Tory authorities for failing to implement the Government's programme for more nursery schools. They were putting the priority of keeping down the rates ahead of the needs of young children, she declared.

Deferring her party's record on teacher employment, Mrs. Williams said that last year 45,000 more teachers were in Britain's schools than in 1973. This year, the Government was providing money for 12,300 additional jobs for teachers—1,000 of them in teaching the disadvantaged.

Britain had the best pupil-teacher ratio in its history. The average class size was now down to 24.5.

"Of course, it is true that we still have some classes over the size of 30, but seven out of eight of our secondary classes are under that and two out of three of our primary classes."

Mrs. Williams likened Tory education spokesman Mr. Norman St. John-Stevens to Tweeked and his colleague, Dr. Rhodes Boyson, to Tweekedee.

Mr. St. John-Stevens is Tweeked—otherwise known as the Blessed Norman who winks at comprehensives—and Tweekedee is the Stone Age Dr. Boyson, who plays to the grammar school lobby.

Only two things united them. One was the desire to perpetuate selection in one form or another and the other was to become Minister of Education.

Education cuts warning

UNIVERSITY and polytechnic education should be available to a wider range of people, according to the Council of Educational Advance, an education pressure group.

It has also warned the Government there must be no cuts in provision of opportunities for higher education because of the fall in population.

Cash incentive

GRANTS of up to £7 a week to encourage teenagers in Newcastle-upon-Tyne to stay on at school are to be paid direct to pupils.

The controversial means-tested allowance, costing about £140,000 a year, will be paid only if school attendance is satisfactory. About 450 children, whose parents have a net income of up to £26 a week, will qualify.

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GRANTS of up to £7 a week to encourage teenagers in Newcastle-upon-Tyne to stay on at school are to be paid direct to pupils.

The controversial means-tested allowance, costing about £140,000 a year, will be paid only if school attendance is satisfactory. About 450 children, whose parents have a net income of up to £26 a week, will qualify.

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Education cuts warning

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

SAFETY

Overload protection for cranes

ASEA, the Swedish-based manufacturer of electrical equipment, is introducing a new electronic overload protection for cranes. It is designed both to prevent overloading of cranes and to protect them against excessive overturning forces.

When the load exceeds the safe working load of the crane, a relay in the protection trips. This switching over of the relay can be used to stop all hoisting motions or motions which may increase the overturning forces. The overload protection for cranes embodies an application of ASEA's Pressductor force transducer.

An important aspect of the overload protection is the ease with which the measuring body can be installed. It can be fitted to all types of crane.

The unit consists of a cylindrical transducer, which is inserted into a hole drilled in the centre of the shaft of the rope sheave. It is positioned below the centre line of the applied load. After the transducer has been connected to the electrical equipment via a junction box, the overload protection is ready for test loading and trimming.

ASEA, Villiers House, 41 Strand, WC2N 5JX. 01-830 5411.

IN THE OFFICE

Speeds up the mail

TWO SYSTEMS aimed at expediting bulk mailing jobs have been developed by Avery Label Systems, Gardner Road, Maidenhead, Berks.

A fully automatic labelling machine, called Tabmailer, is for labelling envelopes, circulars and flat products, such as advertising material, publications, punch-cards, tabcards and timecards. Intended for in-house mailing, it has a capacity of 8,000 labels per

hour and will label flat products with a thickness of up to 2.0 mm. Labelling accuracy is said to be within plus or minus 1.5 mm.

Upwards of 1,250 labels can be applied within an hour with the Tabmailer which is also designed to handle medium-run mail-outs. This is offered particularly for users requiring postal charge rebates from the Post Office and will accept single- or multiple-width labels up to a maximum of 400 mm.

PROCESSING

Seeks the blemishes

LASER-BASED, a scanning system which automatically detects and records the number of blemishes in a moving web of photographic pulp has been installed by AB Iggesund Bruk of Sweden at its Stromsbruk sulphite mill.

It is almost impossible to detect such imperfections by eye in moving pulp at production speed, and the new system, believed to be the first of its kind, will enable Iggesund to apply much higher standards of quality control in its photographic pulps, and also to offer a range of attested and "tailored" quality grades to meet customers' individual requirements.

The system makes use of a helium/neon laser which produces a thin pencil of light which is scanned transversely across the upper surface of the moving web by a rotating prism. The light penetrating the web is detected by a receiver containing two photomultipliers. Any blemish in the pulp produces a decrease in light intensity which shows up as an electronic pulse.

Spots are graded into three size ranges (assessed by the number of times the scanning beam strikes the same spot), and at the end of the reel, a digital printer prints out the total number of spots in each size range together with date and time. Aural and visual alarms are given if the total number of spots, or the size of an individual spot, exceeds preset (and adjustable) limits.

AB Iggesund Bruk, S-825 00 Iggesund, Sweden.

RETAILING



One of the first ICL 9500 point-of-sale terminals makes its debut

ICL looks after the store

IF THE predictions made by many bankers, including Gordon Hague, head of Lloyds Bank computer services, are correct, point of sale equipment will play an increasingly important role in retailing and banking over the next few years. By end-1985, it is anticipated, a large number of UK stores will have moved over to it.

It follows that, to stay in the picture, computer builders should have a point of sale equipment stock. But this is true only for IBM, NCR and ICL.

The latter yesterday launched a complete new series of equipment for the retail trade, carrying on from the units originally developed by Singer and sold in the U.S. and Europe, which ICL continued to support after its acquisition of the bulk of the Singer data processing operation two years ago.

That ICL means business is implicit in the extent of the new equipment which embraces new terminals; cartridge recorders; readers for Kimball tags; merchandise tickets and OCR

printer and cash drawers as an option.

The 9510 is intended for use with a system controller but has ability to work with a cartridge recorder for data storage. The 9512 is a unit designed primarily for cash collection and is provided with 32 programmable accumulators to allow users easily to obtain audit control data, flash totals and sales analyses.

This unit too can work with a system controller.

Controllers are based either on developments of the earlier 1500 or on System 10. They can handle from 24 to as many as 160 terminals.

First orders are already in the pipeline from companies all over Europe as well as in Canada and Australia. Manufacturing of the new equipment is under way at Utica in the U.S., with the biggest of the controllers to be built at Letchworth and Kidsgrove in the UK.

More from ICL on 01-788 7272—ICL House, Putney, London SW15.

MACHINE TOOLS

Precision round a bend

TO ACHIEVE a high degree of precision in reproducing the bending angle and a minimised deflection along the bend edge of a profile, the Swiss machinery manufacturer Hämmerle AG of Zofingen has developed a new sheet-metal processing method: the three-point bending system.

Unlike conventional machines, three-point bending presses which are available with cam program or numerical control use three supporting points for the material in the mould, and a segmented die. This die system comprises parts of a standard length up to 100 mm and intermediate pieces for the range from 50 to 95 mm with steps from 5 to 5 mm, enabling it to adapt to any die length for parts bent on four sides.

Over the whole length of the machine, the die system is supported by a continuous hydro pad which provides uniform pressure distribution, thus preventing local upsetting of the material being machined, ensuring a reproducible precision of bending angle of plus or minus 15 minutes.

The hydro pad enables simple or multiple bends to be performed precisely at one stroke without any resetting of ram depth or of the curve. The patented bottom die has an adjustable mould base, so that any desired number of bend angles may be produced in one groove. The groove for setting is done by means of a key system in the mould support, being operated manually by program cams, or numerical control.

Hämmerle AG, CH-4800 Zofingen, Switzerland. Telex 68 125.

HANDLING

Moves linen and refuse

HYGIENE in hospitals is, of course, of paramount importance, and a constant hazard is the risk of cross infection. The dangers exist not only in garbage removal but also in the laundry room and wherever soiled linen is handled.

Now there is an electronically programmed fireproof linen and refuse disposal chute system designed to prevent overloading and transference of infection. It will be shown for the first time at the Middle East Construction Exhibition in Dubai, October-November this year, and has been developed by Hardall, a subsidiary of the international Percy Lane Group.

Capable of taking refuse and linen bags up to 810 mm by 457 mm diameter, the patented electronically controlled entry points can be programmed for the sequential discharge of drum contents into the central chute shaft. An interlocking device prevents shaft blockage by ensuring that only one drum dis-



RESEARCH

Life under power lines

ACCORDING TO the Battelle Memorial Institute some concern is being voiced in the U.S. about the environmental effects of overhead power transmission at ultra high voltages.

At 1.2 megavolts a transmission line has a power carrying capacity six times that of a 500 kilovolt line and the power losses of the line are only about one-fifth—a result of the smaller currents carried.

To try to discover the effects, if any, of the electric fields surrounding the conductors on plant and animal life, a number of laboratory and field experiments are being carried out: one study involves a full scale 1200 kV line on a 53-acre site at Lyons, Oregon, sponsored by Bonneville Power Administration. The Battelle researchers will look at the effects on cattle, bees, birds, mammals and trees, as well as crops.

At another site in Richland, Washington, pigs are to be exposed to 30 kV/metre—about three times the electric stress that humans would encounter while standing under existing high voltage lines in North America. More from Battelle Pacific Northwest Laboratories, P.O. Box 999, Richland, Washington 99362.

PRINTING

Stitches at high speed

AN AMERICAN rotogravure printer is said to have increased his production of finished products by about 25 per cent by replacing former stitching equipment with a high-speed stitcher from Ingol AB, Ekbacksvägen 40, S-161 30 Bromma, Sweden.

The Ingol machine performs "stitch" collecting in single-width/single-round, single-width/double-round and double-width/double-round press configurations, and can be fitted both to existing rotary folders and to the market's fastest gravure and web offset presses.

The company says that more than a hundred European and American newspaper plants and publication printers have ordered its high-speed stitcher for both new and existing press installations.

LIGHTING

Sees them coming

LIGHTING A large display window does not come cheap. But one way of reducing the cost of illuminating goods on show when the window shoppers are few and far between is to use a shopper-detector invented in France.

Based on simple radar technology, the unit will sense the approach of a stroller and switch on the spot or fluorescent lights as long as he/she is anywhere in front of the shop window. As Gamma is at 23, Market Place, Wokingham, Berks. 0734 782384, soon as the passer-by walks beyond the displays, the main lighting is again switched off.

The same idea is being applied to activating a recorded publicity single when an unsuspecting wanderer comes within earshot, and to tripping a TV scanner for more serious purposes.

The unit clearly has a use in security and safety systems. Cie Française de Détection et d'Automatisme Radar, 18 rue des Pailles Feuilles, 70116 Paris, France.

B-E

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Please send me further information on New Northern Rock Monthly Income Shares.

Name _____ Address _____

Northern Rock Building Society, P.O. Box 100, London EC4A 3DF.

FT5

A FINANCIAL TIMES SURVEY

OFFICE EQUIPMENT

OCTOBER 23 1978

The Financial Times proposes to publish a survey on Office Equipment. The provisional editorial synopsis is set out below.

INTRODUCTION The impact of electronics and the general transfer of employment away from factories can be expected to lead to increased investment in the office. Trends and prospects.

THE EQUIPMENT MARKET Its size and breakdown in the UK and Europe, comparisons with the U.S.; the role of multinational companies.

EXPORTS Prospects for improving the UK's share of world trade in the growing electronic sector of the market.

LARGE COMPUTER SYSTEMS These are having an increasing impact on offices because of data links between offices and the distribution of machine intelligence within offices.

SMALL COMPUTERS These can provide a package deal for first time buyers or for departments within a larger organisation.

PERIPHERAL EQUIPMENT Disc storage, units printers and display units are all showing rapid improvements in performance and are generally becoming cheaper.

WORD PROCESSING Equipment and automatic typewriters are becoming more and more accepted in Europe. The products and productivity gains.

DICTATION EQUIPMENT Often seen as complementary to automatic typewriters. Product developments and new uses.

TYPEWRITERS The change from manual to automatic machines continues. Meanwhile research continues in the substitution of electronics for moving parts. Future trends.

ELECTRONIC MAIL Still more important in theory than in practice, but could bring a radical change in the procedures in many offices. Implications for telex.

FACSIMILE TRANSMISSION Still at a relatively early stage of development, although transmission times are being greatly reduced.

The search for standardisation of equipment and the future market.

PRIVATE TELEPHONE EQUIPMENT Transformed by the introduction of a new generation of fully digital electronic exchanges. The market for other types of equipment like answering and metering devices is also growing.

ELECTROSTATIC COPYING This brought about one of the greatest single changes in office practice. A large variety of competing equipment is now available including copier duplicators, convenience copiers and "smart" copiers linked to computers.

DUPLICATING AND OFFSET LITHO Such machines have become more flexible and easier to operate. New uses.

ACCOUNTING MACHINES The trend towards fully electronic machines continues, although a substantial market for mechanical machines persists. Prospects for point of sale terminals.

CALCULATORS Electronic machines with a print head have now established their place in the office. Integrated circuitry is allowing manufacturers to compete in the provision of extra features. The more expensive office calculators are beginning to have the capability of small computers.

MICROFILM A method of storage for office documents and drawing office plans. Links with computers and new equipment.

LEASING A convenient way for smaller companies to acquire computers, telephone exchanges and other office equipment.

OFFICE ENVIRONMENT The demands of the law and changing standards of comfort, air conditioning, heating, furniture and other equipment.

AMENITIES AND SERVICES Becoming increasingly important in the modern office: vending machines, canteen equipment and other services for staff.

For details about advertising rates please contact Robert Murrell, Financial Times, Bracken House, 10 Cannon Street, London EC4A 4BY. Tel. 01-248 3000 Ext. 246.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor



This lady has just been processed—and she didn't feel a thing.

Gone are the days when all a cash register did was record the amount of cash taken.

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As part of a complete data processing system, an NCR retail terminal will do more than ring up the price.

Information can be given on stock levels, together with retail prices and cost prices to show gross margins at a glance.

The system can give an hourly report on customer and cashier activity, checkout by checkout.

It can provide detailed analysis on each product line making it very easy to establish minimum order levels and re-order levels.

It will also enable customers with accounts to pay bills in any store and have their accounts immediately updated. Credit sanctions of course can also be given instantly if necessary.

Small wonder that stores such as Army and Navy, Bantalls and International Stores have installed NCR systems.

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London: circa £7000

Morgan Guaranty, a leading international corporate bank, is currently engaged in a major review of its computer systems covering all aspects of its activity and procedure.

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Successful candidates will either have trained or gained post qualification experience with a leading accountancy practice or have substantial EDP project control/review experience. The ability to summarise, draw conclusions and present them to management is important.

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Please write or telephone for an application form to Kathryn M. Riley Morgan Guaranty Trust Company of New York, P.O. Box 161.33 Lombard Street, London EC3P 3BH. Telephone: 01-555 3111 ext. 2747.

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DISTRICT MANAGER

European Trading

Sizeable U.S. independent petroleum corporation, based in Texas, is currently seeking a District Manager to develop European trading and sales opportunities in refined petroleum products of bulk quantities.

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For immediate consideration, please submit current résumé in complete confidence to:

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Portfolio Management

A leading City merchant bank with a large and expanding investment business wishes to recruit an additional member for its investment management team and is looking for a young man or woman, aged 25-30, with several years investment experience, gained in an investment management organisation, or a stockbrokers office.

It is essential that the successful candidate has a reasonable knowledge of all aspects of investment, including some security administration. An accountancy, economics or statistical qualification would be an advantage, but not essential.

Applicants should write giving details of age and past experience, stating the names of any organisations to whom the application should not be forwarded.

J.D. Vine, Account Director (CRS/65)
Lockyer, Bradshaw & Wilson Limited,
North West House,
119/127 Marylebone Road, London NW1 5PU.

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The applicant should have an understanding and experience of both investment and marketing.

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The Company is a major manufacturing subsidiary within the Readicut Group with turnover around £20 million. Expansion is taking place in the U.K. and on the continent and further developments are contained in the business plan.

The appointment is responsible to the Managing Director for providing a professional financial service, for ensuring management colleagues have the control information and guidance necessary to maintain and improve the Company's operating efficiency, and for fulfilling the duties of Company Secretary.

Candidates must be Chartered Accountants, preferably aged 35-50, with extensive experience in a manufacturing environment showing profitable growth based on sound financial control. A good knowledge of French would be an advantage. The successful candidate is unlikely to be earning less than £9,000 p.a. now.

This is a senior appointment within the Group and both the initial and subsequent salary and benefits package will reflect this.

Please submit a full résumé of your career, or write/telephone for an application form to the:

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You need to have a very good accountancy background, preferably as a CA and in financial services, with above average management and administrative ability. Excellent personality and communication skills are all important to the strong rapport with Names which underlies the company style.

You will assume early responsibility for Syndicate accounts. Thereafter, you will be groomed in all aspects of the business. A clear progression to Managing Director is foreseen in the medium term, following real demonstrated success in the post.

Your name will not be released until we have briefed you and you have given your consent. Please send a summary covering employment history, achievements, present remuneration, and age and stating how you meet the requirements of the post to:

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London W1M 3FU

A management consultancy
specialising in recruitment and
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BDC

Leading international maritime transportation company in Rotterdam is currently expanding its administrative staff and seeks qualified applicants for the following positions:

A. SENIOR FINANCIAL ANALYST

Reporting to the Manager European Financial Analysis and Reporting, he will be responsible for the review, approval, assembly and input of accounting entries, analysis of financial accounts and cost reports, providing a continuing analysis of financial account activity, the review and assembly of cost and revenue reports, and assist in budget preparation and variance explanation.

- * Nationality EEC national, preferably British
- * Languages: fluent spoken and written English, another language would be desirable
- * Age around 35
- * A recognised accounting qualification preferred, or a university graduate with financial management experience
- * Two to five years' analytical/accounting experience preferably in an international environment
- * Moderate travel and willing to consider later relocation
- * Proven management skills and problem-solving ability

B. FINANCIAL ANALYST

Reporting to the Manager European Financial Analysis and Reporting, working under the direction of a Senior Financial Analyst; performing essentially the same function as listed in position A, in less complex areas. The profile is similar to position A, except that age should be around 30 and only one to three years' relevant experience.

In addition to technical competence, candidates should be dynamic, but diplomatic, ambitious and willing to play an active "hands-on" role. There are excellent prospects for advancement.

The salary will match experience and achievement.

If you are interested in either of these posts, please send your résumé with salary requirements to:

Ref. FT 01 AB
William Greenway, Partner
Whitney Murray Ernst & Ernst
Avenue Louise 523 Bte 30
B-1050 Brussels, Belgium

Executive career Development Manager

Hong Kong

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The client is a highly successful international bank which operates in 37 countries in the Far and Middle East, Europe, North & South America and Australasia, employing 19,000 staff of whom 1,200 are executives. This new appointment has been created to provide a consistent, structured approach to executive career development. The key duties of the successful candidate will be: to develop short, medium and long term executive manpower forecasts; to plan the development of officers' careers; to develop, co-ordinate and monitor career review and appraisal systems.

Candidates, ideally aged 35-45 years, should be graduates (or equivalent e.g. MIPM) and have at least 5 years' management experience in a comparable role. A personnel management background within an international organisation and experience working overseas (particularly in the Middle or Far East) is desirable whilst banking exposure

will be distinctly advantageous. The post is based in Hong Kong and involves considerable international travel. An initial 2-year married status contract is envisaged with opportunities for a permanent appointment at the end of that period. The excellent salary will be supplemented by attractive benefits including an annual bonus, free accommodation, annual holiday flights to the UK, assistance with school fees and six weeks annual holiday.

PA Personnel Services Ref: AA57/6588/FT Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

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A member of PA International

ACCOUNTANT/ Company Secretary

c. £7,000 p.a.

Infoline is a new company offering computer-based information services for science and industry, in international markets. With operations starting towards the end of 1978, turnover is budgeted to exceed £1 million within three years. The Accountant/Company Secretary will be a key member of Infoline's small, enthusiastic and highly-qualified team, and will be involved in all aspects of the running of the company, from the design and operation of routine accounting and administrative procedures, to advising the Board on legal and financial affairs. This appointment will appeal to a recently

qualified accountant or chartered secretary who would welcome the challenge of an unusually wide area of responsibility and the opportunity to grow with a new organisation. Salary will reflect experience and ability and other benefits are those associated with a larger organisation.

For further details and an informal discussion about the company and the post, call David Martin, General Manager, on 01-636 1876, or write to him at Infoline Ltd., Brighthelm House, Lancaster Place, London, WC2E 7EN.

INFO LINE

Investment Manager

PENSION FUND

Marley has administered its own Pension Fund for staff employees for many years and we have recently introduced a second self-administered scheme for factory employees.

Investment of our pension funds totalling £12 million is managed outside the company. It is intended to broaden the overall management of these fast growing funds by the appointment of an Investment Manager. Initially he or she will start a new portfolio with a cash flow of £½ million in the first year and additionally take a general interest in monitoring the investment of all the funds.

A sound practical knowledge of pension fund investment is essential. Possibly this experience will have been gained in a number two position where the applicant is now ready to take his/her own investment initiative within the general policy of the trustees. It is unlikely that anyone under age 28 will have sufficient experience.

A competitive salary will be paid plus pension scheme, life insurance and other benefits in accordance with the best industrial practice.

Please write giving qualifications, full career details and salary progression to:

The Staff Executive,
Marley Tile Company Limited,
P.O. Box 32, Sevenoaks, Kent.

MARLEY

MANAGER-Business Development International Finance House, Sal. c£9000

Our client, a respected financial City group specialising in the financing of international trade and represented in seventy different countries, has through recent reorganisation and expansion created an excellent and fairly unique career opportunity for a financially orientated executive.

This is an interesting marketing opportunity involving visits to clients overseas, in order to analyse their business requirements and then structure a service to meet their demands.

We are seeking a young executive in his or her late twenties to early thirties, who is fluent in French, can represent this group at senior levels, relate to the needs of the clients' businesses and appreciate the importance of discretion, style and overall maturity required of the position. Clearly, financial knowledge relating to overseas trade is valuable but this appointment will be made as much on personal qualities as on career background.

The successful candidate will be offered a negotiable salary of c. £9,000 and in addition will receive other executive benefits.

Please write in complete confidence giving full career details and present remuneration to:

WALTER JUDD LIMITED (Ref: L109)
(Incorporated Practitioners in Advertising)
1A Bow Lane, London EC4M 9EJ

BOARD OF GOVERNORS THE NATIONAL HOSPITALS FOR NERVOUS DISEASES TREASURER

Salary Scale £7,214 to £8,765, plus £354 London Weighting per annum (Administrative and Clerical Scale 25).

Applications are invited from qualified accountants with wide experience in hospital or public service for the post of Treasurer to the Board of Governors of this Postgraduate Teaching Hospital Group.

The successful candidate will be required to control a full range of financial activities, including the maintenance of a budgetary control system, and the provision of management information and will be expected to participate, with the other senior officers, in the management of the Group as a whole.

Application form and job description available from the Personnel Department, The National Hospital, Queen Square, London WC1N 3BG. Tel. 337 3611, ext. 65. Closing date: 20th October, 1978.

IRAN £12,400 MIN.

Graduate in Economics/for Acct. for minimum 2 years, with air-conditioned accommodation. Advancing on expenditure, budgets policy and performance.

Apply in the first instance to PERSONNEL APPOINTMENTS ACCOUNTANCY DIVISION 4, Chiswell Street, London, EC1 01-588 7921 (24 hours)

Young Investment Analyst sought by well-established City Investment Group. Candidates should be at present employed in the investment field with a minimum of two years' experience, possess the ability to communicate and have the confidence to work on their own initiative. An attractive salary and excellent staff benefits will be offered to the successful candidate. For further details please telephone 01-428 8582.

THE PERFECT VACANCY may not exist but we will do our utmost to find it for you. Professional, Commercial and Industrial vacancies from junior to Board level. Financial & Accounting Division. 6, Uxbridge Avenue, London, E.C.3.

GROUP ACCOUNTANT

City Based Salary Negotiable

This new appointment offers exceptional career prospects for a commercially minded qualified accountant, preferably aged 35-45, who wishes to make his/her mark with a progressive and expanding organisation.

We are an independent financial services group with operations based in the City and in Surrey, and are leaders in our field. Established ten years, we are now undergoing a phase of planned growth which will further extend our services and high reputation.

Within this environment the successful candidate will be responsible for the financial control of the group's operations, both on a day-to-day basis and also on a longer term strategic planning basis. He/she will become involved with investigative reporting on potential acquisitions and will play a key role in the financial aspects of policy decisions.

If you would like to arrange an exploratory meeting, please write with brief personal and career details, marked private and confidential, to:

The Managing Director
Financial Techniques Limited
Hillgate House, Old Bailey,
London EC4M 7HS

**Accountants
for Management
Consultancy**

Binder Hamlyn Fry & Co., management consultants since 1949, wishes to augment its team of financial services consultants. The company, a member of the Management Consultants Association, has established a reputation for providing professional advice to a variety of clients in industry, commerce, and the public sector. The work involves, among other things, advising clients on:

- * accounting and management information systems design
- * management and financial accounting
- * profit improvement and business planning

Candidates, men and women, should be qualified accountants with at least three years post qualifying experience, preferably in industry or commerce. Previous involvement with designing and installing accounting systems would be an advantage. The work can involve travel, mainly in the UK, and candidates should be prepared to spend time away from home. Preferred age range 28-40.

Starting salaries will be in the range £8,000 to £9,500, dependent upon experience, but the potential is over £12,000 and additional benefits include profit sharing.

Please write or telephone for a job specification and application form, quoting ref. 1240.



Anne Knell, Senior Consultant,
Binder Hamlyn Fry & Co.,
227/228 Strand,
London WC2R 1BZ.
Tel: 01-353 5171.

International Money Management

Our Client is a highly reputable and long established international bank with influential backing, based in the Middle East. Substantial development plans for the future have created the following responsible positions which call for positive qualities of professionalism, maturity and expertise:

Treasurer

c.\$60,000

Probably aged 32/40 with at least 10 years' experience of the international money markets, your task will be to assume responsibility for the bank's liability management on a global basis.

Chief Dealer

c.\$40,000

Currently a senior dealer, late 20's/early 30's ideally with Middle East experience, you will possess a sound background of dealing in currency deposits and foreign exchange.

These represent both exciting and challenging opportunities and are offered on the basis of a 3 year contract which may lead to a full-time career opening with the bank. The overall remuneration package will be particularly attractive and includes salary plus free accommodation, family travel facilities, car and several additional benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone: 01-248 3812/3, 4, 5

SENIOR APPOINTMENTS

The competition for career opportunities, both in the U.K. and overseas, demands increasing involvement and expertise in career planning and the job search.

INTEREXEC provides the most comprehensive, professional and confidential service to assist the Senior Executive seeking a new appointment.

Why waste time?—consult:
The Interexec Register Limited
The World Trade Centre, London E1 9AA
01-481 9777

**ACCOUNTING
CONTROLLER**

c. £8,000

A major precision engineering company employing some 2,400 people in the U.K. and overseas and itself a member of a well known international British group wishes to make a new appointment of Accounting Controller.

The Accounting Controller is a senior appointment and is responsible directly to the Financial Controller for the accounts payable, accounts receivable including invoicing and shipping and credit control, cashier and all payroll functions.

The successful applicant will probably be a qualified ACMA/ICA and will certainly have a good track record, preferably gained in an engineering or similar environment. He/she will be responsible for a staff of 27 and be expected to demonstrate the ability to motivate and deploy staff effectively. The company has developed sophisticated computer based systems to control all accounting functions and the continued development of these routines is essential.

This new position offers excellent prospects both within the company and the group and a wide range of attractive benefits.

Applications giving full details of age, qualifications, experience and present salary should be sent to Box A.6501, Financial Times, 10, Cannon Street, EC4P 4BY.

Quilter Hilton Goodison

**INVESTMENT
ANALYSTS**

We have vacancies for two analysts in our Research Department.

General Analyst

Arising from an internal promotion we now have a vacancy for an analyst with a degree or equivalent qualification and at least two years experience of investment analysis gained either in another firm of stockbrokers or in an institution. The successful candidate will be required to undertake research in several sectors of the market on a regular basis and should have the ability to write concise reports to support his recommendations.

Electrical Analyst

Due to continuing expansion we require an analyst to support our Senior Electrical Analyst. He/she will join our established team specialising in the electrical and electronics sectors. The ideal candidate will be a graduate with about 2 years City or related industrial experience. This newly created post will involve company visiting and the writing of regular reports, and so the successful applicant should be able to communicate effectively both verbally and in writing.

An attractive salary and excellent staff benefits will be offered to the successful applicants.

Please apply in confidence to R. B. Hazledar
Quilter Hilton Goodison & Co
Garrard House 31/45 Gresham Street
London EC2V 7LH Telephone 01-600 4177.

**New or Recent Graduates
Make a Career in Investment**

You will be not more than 24 years old, and could be either a new graduate in Economics, Business Studies or Law, or a recent graduate seeking to change your career path. Either way, you will now be looking to make a career in investment.

Sun Alliance are one of the country's largest insurance groups, with funds of more than £1,000 million. We currently have an attractive career opportunity for a graduate to train as an Investment Analyst within our small, highly professional investment team, with good prospects of moving on into investment management. Training will cover all aspects of the investment function including stock market operations, company financial analysis, overseas investment and will involve meeting stockbrokers and industrialists.

Starting salary will be competitive, with valuable fringe benefits. Assistance with relocation expenses will be given where appropriate.

Please write, giving brief details, or telephone for more information and an application form, to Tony Bristow, Recruitment Adviser, Sun Alliance Insurance Group, 1 Bartholomew Lane, London EC2N 2AB. Tel: 01-588 2345, ext. 1225.

**Financial Director
Designate**

Up to £10,000 + car

Central London

Our clients are well established in the marketing and distribution of electronic components in the U.K. and Scandinavia, are achieving a 30% sales growth and are a major subsidiary of a publicly quoted electronics group. They offer an attractive opportunity to an ACA/CA, aged up to 35, to replace the present Financial Director who is assuming general management responsibilities. In addition to the control of the financial function the successful candidate will have responsibilities in other administrative areas. It is imperative that candidates should have sound cash flow forecasting and foreign exchange experience, are familiar with computerised systems and, ideally, will have worked in a trading environment. In addition to normal benefits, there is a generous bonus scheme and subsidised daily travel.

Applications in confidence quoting Ref. 6291 to E. A. C. Griffin,
Mervyn Hughes Group, 2/3 Curstow Street, London EC4A 1NE/Tel: 01-404 5801.

Mervyn Hughes Group

Management Recruitment Consultants

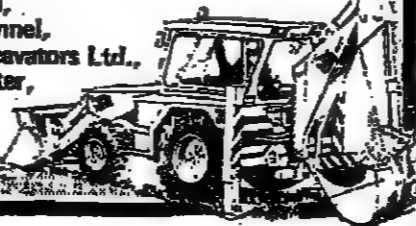
**FINANCIAL CONTROLLER
5 FIGURE SALARY**

We are Britain's leading manufacturer of earthmoving equipment with an outstanding record of export led growth. Investment has been the key note of our success, not least investment in calibre management.

Reporting to the Financial Director, the principle responsibility will be for managing the fine accounting function of our operation at Rochester, together with functional responsibility for accounting practices and standards in our overseas subsidiaries.

Applicants must be qualified and have a good track record in industry. He/she must also have in depth experience of manufacturing management accounting systems and computerised routines.

Apply with full details to:
A.W. Farnyough,
Director of Personnel,
J.C. Bamford Excavators Ltd.,
Rochester, Kent,
Staffordshire,
ST14 5JP.

**MARKETING MANAGER**

AT LEAST £10,000

Our client is a successful Group with National distribution of branded and private label products in a specialised sector of the retail food market. Major developments now planned have led to this exceptional career opportunity for a truly creative Marketing Manager.

The appointee will probably be aged 27-40 years, and must have a proven record of ability to identify and develop new opportunities in the grocery trade.

Salary, which will be at least £10,000 is not a limiting factor in making the appointment. A prestige car will be supplied and, generally, terms and conditions reflect the importance of the job.

Write giving full career details to Alan Bucknall, COMPEN Management Consultants Ltd., 43 Hospital Street, Nantwich, CW5 7RL, who will treat your application in strict confidence.

Finance Director

Contracting

up to £14,000 + car

A major sub contractor to the Construction Industry seeks a Finance Director to replace the present incumbent who is being promoted.

Reporting to the Managing Director, this appointment carries responsibility for all aspects of the financial control of a de-centralised Company which has a turnover in excess of £25m. As a member of the Board he/she will also be involved in general company policy and plans.

The successful candidate will be a qualified Accountant who must be fully experienced in the legal and financial aspects of contracting.

Preferred age 35-45. Salary up to £14,000. company car, excellent benefits and relocation expenses. If appropriate, to the London area.

Ref: K7928/FT
REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Jonathan Wren : Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

LOAN ADMINISTRATION

c.£5,000

Due to expansion of its loan portfolio an international bank has a new vacancy in its Loans Administration department. Candidates should be aged early to mid 20's, and must have the following experience:—

1. Liaison with senior lending officers, foreign exchange dealers, agent banks and borrowers concerning drawdowns, rollovers, funding requirements, and interest/fee collection.
2. Management reporting of loan portfolio exposure etc.
3. Loan documentation. Candidates should be fully conversant with Eurodollar syndicated loan agreements and other legal documents; any experience drafting such documents would be advantageous.
4. Internal credit control and administration procedures.

The successful candidate will enjoy a competitive salary and usual fringe benefits, in addition to excellent career prospects.

Please contact: ROY WEBB

GRADUATE CLEARING BANKER

c.£5,000

We have been requested by a number of banks to seek young people, 23-28, who upon graduating from university within the past few years, joined a joint stock bank but now find that advancement is blocked. The positions include Trainee Credit Analyst, Corporate Finance Trainee, and an entry into international lending. A business oriented degree, and knowledge of another European language, would be an added advantage.

Please contact: RICHARD MEREDITH

MORTGAGE LOANS ASSISTANT

c.£4,000

This vacancy, with a North American banking and financial institution, calls for a person with experience in a bank, insurance company, building society, or solicitor's office. Candidates should be aged 20-26, and must have dealt personally with the documentation and procedure associated with mortgage applications.

Please contact: NORMA GIVEN

170 Bishopsgate London EC2M 4LX 01-6231266/7/8/9

Corporate Auditors - Europe

London base, £7,500 to £10,000 + bonus

These are opportunities to join one of the world's largest and most successful corporations in the records, music, publishing and consumer goods industries. The European audit department is developing to support this success, and promotional prospects within the corporation are exceptional. These openings result from internal promotions to line responsibilities in group companies. Key tasks are financial audits and evaluations of accounting and operational systems and procedures and the senior of the successful candidates will assume certain managerial responsibilities. Overseas travel will be expected and company benefits are excellent. Preference will be given to qualified accountants between 25 and 30 with reasonable proficiency in two European foreign languages.

G.E. Forester, Ref: 18155/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

YOUNG A.C.A. WITH SPECIALIST E.D.P. EXPERIENCE

Hampshire

Emoluments neg. to £9,000

Our client, an autonomous subsidiary of a major banking group, has recently invested heavily in acquiring advanced hardware to service both their operational and finance functions.

The company now plans to recruit a young accountant to monitor and contribute to the design and implementation of its new systems, which will use database technology and will have significant real time content.

Candidates, male/female, will be qualified accountants who have had experience with a large professional office and have a specific knowledge of computer based systems.

Probably in their mid/late 20's, they must be able to communicate effectively with staff and management at all levels and possess the self motivation to work independently.

The appointment attracts the usual fringe benefits associated with a large company and full relocation expenses will be paid by the company if necessary.

For further information concerning this appointment and a personal history form please contact Nigel V. Smith, A.C.A., quoting reference 2244.

Commercial/Industrial Division

Douglas Macmillan Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0EX. Tel: 01-436 9501
121 St Vincent Street, Glasgow G2 2HW. Tel: 041-226 3101
3, Colson Place, Edinburgh EC2 7AA. Tel: 031-226 7744



ISLAMIC DEVELOPMENT BANK

Jeddah

Salary Scales \$US 20,000 to \$US 43,000

The flourishing Islamic Development Bank, an international organisation, is wishing to augment its staff to meet expanding business needs. Working in multi-disciplinary teams, using Arabic, English and French languages engaged on the appraisal of wide ranging products, the requirement is for the following:-

Financial Analyst (Ref 165)

With in-depth experience of the development and analysis of financial information using programming methods and sensitivity testing. Qualifications should include a university degree in Economics with an M.B.A. or equivalent.

Project Economist (Ref 166)

With in-depth experience in the preparation of feasibility studies, cost benefit analysis and project evaluation. Qualifications should include a university degree in Economics or a closely allied subject.

Candidates should possess a minimum of 10 years experience in an appropriate financial, banking, or investment organisation. Knowledge of more than one of the languages used is preferred and preference will be given to nationals of member countries.

In addition to a generous salary other benefits include free furnished accommodation, free travel for annual home leave, dependents allowance, educational assistance, free health care, life insurance cover, contributory pension scheme, and resettlement and transport allowances. Applications should be sent in confidence, quoting the appropriate reference number, to:-

R. J. Batten, The Whitehead Consulting Group,
21 Wigmore Street, London W1H 9LA.



WHITEHEAD

Group Management & Financial Controller

Salary negotiable from £12,000 + profit sharing + generous benefits.

- ☐ Dynamic private group, T.O. £35 million, active in building, property development and manufacturing.
- ☐ Reporting to group M.D. as part of a small central team. Career appointment with real development potential. West London offices.
- ☐ Main responsibilities: assisting with definition of corporate trading objectives and strategy, establishing criteria for assessment of trading companies performance and forward plans, financial planning, evaluation and negotiations for possible acquisitions and disposals.
- ☐ Aged about 35. Chartered or Certified Accountant. 5 years minimum industrial-commercial experience with multi-national or multi-activity concern. Practical business outlook.

Please call for detailed job outline. Enquiries will be treated in strict confidence. 01-572 7533.

M. J. Foran, Personnel Director,
Lesser Group of Companies,
Lesser Building,
Staines Road, Hounslow, Middx.



LESSER

THE LESSER GROUP OF COMPANIES

Chief Executive Engineering and Contracting

In the last eight years, this heavy engineering and contracting company, part of a large group, has boosted its sales to around £4m; has produced impressive profits; has become a world leader in some aspects of its business, with exports accounting for around 50% of turnover, and has moved to a new site which provides ample opportunity for further expansion. Internal promotion has created the vacancy for a Chief Executive who can build upon this sound base, accelerate growth and maximise business potential. The post calls for engineering qualifications and background, experience of controlling machinery, fabrication and assembly operations in a process plant environment, as well as proven contract negotiating and contract management expertise, preferably on an

international scale. Candidates, aged 35-50, should also have a success record in selling to the chemical, mining or effluent treatment industries. Salary is negotiable around £12,500 together with a performance related bonus, an executive class car and the usual fringe benefits. Assistance will be given towards costs of removal to the North Midlands.

PA Personnel Services Ref: GM33/8584/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



Young Analyst of outstanding calibre

Our client is a major organisation in the investment management field who requires someone of outstanding calibre and energy to occupy a key position in their equity investment team. To be eligible you must be in your mid-twenties with a degree or recent professional qualification. About two years investment or industrial experience is needed. You should be literate, ready to innovate and question all problems and processes. A competitive salary will be paid depending on your experience and capabilities. Certain fringe benefits are also available, and are of unusual interest. Please write to Ivan Cann, Foster Turner & Benson, Chancery House, Chancery Lane, London WC2A 10U, enclosing a detailed C.V., marking your letter FT 5/10 and listing any companies to whom you do not wish your application forwarded.

Foster Turner & Benson
Recruitment Advertising

Udisco Brokers Limited

require

EURO CURRENCY BROKERS

This company of domestic and international money brokers are seeking experienced Euro currency Brokers to join an established and expanding team.

Salary and fringe benefits subject to negotiation.

Please apply in confidence to:

The Managing Director, Udisco Brokers Limited,
78-80 Cornhill, London EC3V 3NH

Chief Accountant City

£7,000-£7,500 + car

The business travel and freight forwarding subsidiary of a major group with international interests is seeking a Chief Accountant. Reporting to the Group Chief Accountant, the man or woman appointed will be competent to manage an Accounts Department concerned with budgetary controls, financial forecasting, the preparation of management accounts and credit control.

A qualified Accountant, probably in the age range 27-35 years, will find that this appointment offers an excellent opportunity to broaden his/her accounting skills and to gain general management experience.

In addition to the salary in the range indicated above, the position offers a car, discretionary bonus and other substantial benefits.

Please write with adequate particulars to Diana M. Ashman, Personnel Services Division of:



Spicer & Pegler Management Consultants,
1 Bevis Marks,
London EC3A 7HL.

COMMODITY FINANCE

MEDIUM-SIZED E. COAST U.S. BANK
c. £9,000

The Bank, albeit not one of the giants, is nevertheless very well established and represented in London and around the world and is very actively expanding both its volume and range of international banking services.

The Job: to play a decisive role in the development, analysis and administration of the Bank's Commodity Financing activities in London, dealing with existing and potential merchant clients both here and abroad.

The Successful Candidate: will essentially need to combine sound analytical and lending skills (with emphasis on short-term) with a clear aptitude for business development; a knowledge of the London Commodity markets and merchants would be a decided asset.

This is a challenging career opportunity offering ample scope for personal development, together with commensurate remuneration.

To discuss this opportunity in detail, please telephone John Chiverton, A.I.S.

JOHN CHIVERTON ASSOCIATES LTD.

31, SOUTHAMPTON ROW,
LONDON, W.C.1.
01-242-5841

ANALYSIS OF ENGINEERING COMPANIES

£6-9000 +

Our client seeks a man or woman who combines an intimate knowledge of the engineering scene with analytical ability. They are well-known London Stockbrokers and the job will involve visits to companies, conversations at board level and report writing. You need have no practical knowledge of stockbroking, but the ability to read a balance sheet and an understanding of industry is paramount.

Aged 30-35 you will like working on your own initiative and will be looking for a salary of around £6-9000 plus a very considerable bonus. The job will appeal either to a Marketing/Financial Analyst or alternatively to an ex-Senior Executive who wishes to make a second career. Replies in strict confidence to Colin Barry at Overton Shirley and Barry (Management Consultants), 17 Hollywell Row, London, EC2.

Managing Director

FORD MAIN DEALERSHIP

LONDON

Fm's of Lewisham is a leading Ford Main Dealership situated in the south of London and is part of the Elbar Industrial Limited Group of Companies. The vacancy exists for the post of Managing Director is of key importance within the Group Management structure. Applicants for this position will have a proven background of general management within the Motor Trade, preferably but not necessarily within a Ford Main Dealership.

The person appointed to this position will have the ability to work with and co-ordinate a strong and experienced Management Team.

This is a senior appointment with excellent prospects and offers a unique opportunity for a general manager or managing director to further their career within a progressive, highly successful, profit orientated group operation.

It is anticipated that the successful candidate will be between 35-50 years of age. The salary, in recognition of the key nature of this appointment, will be generous and the position will carry the usual benefits commensurate with this seniority.

All applications will be treated in strictest confidence.

Apply in writing with details of present position and past experience, salary, etc. to:-

The Group Managing Director, Elbar Industrial Limited, 6 John Street, London WC1N 2ES.



Under 30 ACA? GET TO GRIPS WITH EUROPE! Southampton Based to £9,000

With a European turnover in excess of £80m, our client is a subsidiary of a U.S. multi-national Chemical Corporation.

Due to recent expansion and acquisitions, they now need to appoint an ACA under 30 with experience of U.S. accounting ideally with languages to work alongside the European Controller.

This new appointment will involve travelling throughout their European Companies, designing and implementing accounting systems and procedures in addition to being responsible for all accounting and treasury information for U.S. and European Management.

This role will be particularly attractive to a young ACA seeking to develop a career in the world of international accounting and finance.

The fringe benefits are excellent and include full re-location expenses where applicable. For further details, please telephone or write quoting Ref. 1534.

Lloyd Chapman Associates

125, New Bond Street, London W1Y 0HR 01-499 7761

International Auditor

c. £7,000 + car

As a result of internal promotion there is a vacancy within the professional Internal Audit Department of an international finance company based in South London.

The position requires a qualified accountant, ideally aged 25-30, with auditing experience either in a professional practice or an internal audit department, with the ability to communicate effectively, both verbally and in writing, and the willingness to travel within Europe up to 30% of the time. A good working knowledge of French would be a distinct advantage.

The company offers a competitive salary and fringe benefits include a pension scheme, company car and a subsidised mortgage scheme.

Ref: S3734/FT. REPLY will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060. Fax: 27854



A member of PA International

OPERATIONAL AUDITOR FRANCE ACA—c. F100,000

A new appointment within a US Multi-National Corporation with extensive European developments based on Paris.

You will aid the development of systems and management control operations and recruit and train local staff.

Salary and career prospects are excellent if you have ambition and are of age 24/27. French and German will be an advantage but language courses and relocation costs will be provided.

For an initial interview call Robert Miles on 01-248 6321.

Personnel Resources Limited

Recruitment Consultants

Management Accountant/ Operations Manager to £10,000

Our client, a leading member of all London Commodity markets, seeks an Operations Manager.

The position requires a Management Accountant, aged 28-35, with some years experience in commodities and good knowledge of all related computerized systems, documentation, foreign exchange, etc.

The successful applicant will be totally responsible for all back office procedure and accounting functions, reporting directly to the Managing Director.

Please contact F. J. Stephens who will treat all enquiries in the strictest confidence.

Stephens Selection

36 Dover Street, London W1X 3RA. 01-484 0617

Recruitment Consultants

Letrasat International Young Qualified Accountant c. £7000

Letrasat International's record of achievement has been significant; latest results give a £7.4 million profit before tax on turnover of £33.8 million. The company is geared to support significant long term growth.

The appointment will appeal to a qualified Accountant, aged 25 to 30, who is seeking a career opportunity with a growth company. The position takes responsibility for providing effective management control information through the design and development of financial systems, the preparation of management accounts and the co-ordination of the budget programme.

For further information contact Gerry Cassell on 01-484 2131 or write with curriculum vitae to: New Appointments Group, Personnel & Selection Consultants, 505 Chesham House, 150 Regent Street, London W1R 5FA.

New Appointments Group
Personnel Consultants



European Executive Based in London Sought by the Retail Consortium

To establish and maintain communications with the institutions of the EEC. The job will involve regular visits to Brussels. Recognising the increasing volume of legislation from Europe, we are looking for an executive to establish an effective two-way information service between the appropriate EEC institutions and Consortium members on EEC policy which affects British retailers.

Fluency in French and English is essential. Familiarity with the workings of the EEC and some experience of dealing with Government is important. Knowledge of the distribution industry would be an asset.

The successful candidate is likely to be around 30 years old and able to demonstrate a real interest in European affairs. The salary is negotiable but will be attractive to the right candidate.

Please apply in writing, giving full details of qualifications and experience to:

The Director
The Retail Consortium
19 Buckingham Gate
London SW1E 6LB

WANTED: Slightly Used Executives

Industry's biggest current need is for seasoned, mature executives in their 30s, 40s and 50s. Chusid clients have proven that these are the most productive and rewarding years of their lives.

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is reorganising the structure of its Private Clients Department. They now wish to recruit a top calibre Executive, probably aged 30-40, with the potential of Partnership.

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Please write, with brief details of career to date, to Mr. P. H. A. Stanley, Williams de Broe Hill Chaplin & Company, Pinners Hall, Austin Friars, London EC2P 2HS.

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Our company is looking for a person with extensive experience in financial and legal affairs, preferably with background in real estate. While he/she is administering our properties management, he/she will be following up financial and legal situations and taking the right decisions about it within our general policy. Salary will be commensurate with experience. Write giving full details to:

Raidnorth Limited,
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11, Ludgate Broadway, London.

Financial Controller

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Our client, a young and dynamic European-based freight-forwarding company, has a turnover of £10 million, and operations in the Middle East. They have now reached a state of growth which demands the skills of a Financial Controller.

The ideal candidate will be aged 28 - 32, a qualified accountant with proven commercial experience. A knowledge of freight forwarding and currencies would be particularly useful. The fringe benefits are excellent and flexible.

Mrs Indira Brown, Ref: 19127/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

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One of the world's leading executive recruiting consulting firms, headquartered in New York, seeks an outstanding individual aged 24-28 to work in London with the Vice-President in charge of the firm's rapidly expanding Middle East practice.

Responsibilities will include preparation of detailed background work for client meetings, writing internal memoranda and external communications, internal liaison monitoring of statistical information, some responsibilities with branch offices, and some travel to the Middle East.

We seek an individual with a keen interest in the Middle East, a basic knowledge of Arabic, and a willingness to learn the executive search business. The ideal candidate will be a leader who is quick, personable, conscientious, and has financial acumen and a strong academic and extra-curricula record at a major university.

A degree from a leading business school would be a distinct advantage.

Good personal characteristics, the desire for exceptional reward and an understanding of team spirit and hard work are essential.

An attractive compensation package, consisting of salary, bonus and other fringe benefits is offered.

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London W.1. c. £10,000 + car + bonus.

A very successful North American book publisher seeks to appoint a Controller for its overseas operations. The post is a total modern controllership, plus some treasury exposure, acquisitions and considerable liaison with overseas subsidiaries, excluding volume accounting and line supervising burdens.

Candidates should ideally be Chartered Accountants with first class professional experience and prior exposure to the constructive controllership techniques of better public or multi-national groups. The slim U.K. and subsidiary company staffing demands a "self-starter," aged say 28-34, although someone older would not be excluded, nor would otherwise relevant ACCAs/ACMAs/MBAs.

For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London, W1R 9DQ, demonstrating briefly but explicitly your relevance and quoting reference 7022/FT. This is an equal opportunity appointment.

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Major European international bank requires an executive (28-30 years) with the necessary drive to follow up and develop relations with international corporations, in the commercial banking field and in the corporate finance techniques. This appointment involves the analysis and assessment of risks as well as the ability to deal with companies at senior level. A knowledge of accountancy, law and exchange control procedures would be an advantage, as well as a fluency in the French language.

It is unlikely that any candidate without professional and university qualifications and with less than three years' experience with a bank would meet the criteria for this appointment.

The post offers excellent prospects with the possibility of acquiring overseas experience within our world-wide network. Salary negotiable, according to qualifications and experience. Applicants should write, in confidence, enclosing a detailed curriculum vitae to:-

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Small quoted company with subsidiaries engaged in insurance broking and underwriting agency management at Lloyd's requires Group Accountant who must be both qualified and experienced in Lloyd's accounting procedures. Age immaterial but the ability to get on with the job and with people essential. Modern comfortable offices close to Lloyd's. Non-contributory pension scheme, free BUPA, etc.

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The ideal candidate shall have substantial skill and experience in credit and country risk research and analysis, will be fully conversant with loan documentation and have a good knowledge of banking operations.

He or she will have responsibility for risk analysis and evaluation, preparation of loan presentations and for developing and maintaining market and other information systems.

We are principally interested in the young man or woman who likes and enjoys the intricacies of international finance and who believes there is always a new and better way to serve a client. We also believe that he or she will have sufficient intelligence to want to manage his or her personal affairs: accordingly the position offers a straight salary that will include a generous base plus the equivalent of usual benefits.

Curriculum vitae to Box A.8502, Financial Times, 10, Cannon Street, EC4P 4BY.

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The London Branch of a major U.S. Regional Bank seeks to fill the position of Accountant following the promotion of the present incumbent.

The ideal candidate will

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- have the stature to train staff and to deputise for the Chief Accountant when necessary.

Compensation is unlikely to be a problem for the right applicant: all the usual Bank benefits are available.

Written applications should be sent to Box A.6486, Financial Times, 10, Cannon Street, EC4P 4BY.

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In either case an international outlook and proven ability to write technically sound reports or articles concisely and under pressure is essential.

Assistant editor, life and property/liability insurance

To work on the above long-term insurance publication and on existing general insurance information service. Experience in financial journalism and knowledge of the insurance industry are important assets.

Competitive salaries, attractive benefits and excellent career prospects.

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One of the two positions requires a qualified accountant with experience in the preparation of accounts and financial statements. The other position is for a qualified accountant with experience in the preparation of accounts and financial statements. Both positions offer excellent career prospects and a competitive salary. Please contact: Mrs. R. Lees, KEYRIGHT PERSONNEL, 30/31 Queen Street, EC4 236 062/3

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Advertising and...

Walking talking billboards

By Pamela Judge

SILK FANBANNAS LOOK like being waved wildly over a large part of the globe since they are to form part of rock star Rod Stewart's world tour which begins later this month. In the U.S. it seems likely that Miller Beer and Faberge will be using them but not in silk. The French newspaper Nice Matin is going to employ them for a Christmas promotion and in the UK a tissue company is contemplating buying a possible 100,000.

Fanbannas are also known as Cheerbannas and Clubbannas and are described as "walking, talking billboards". They are long scarves with pockets at each end and are designed for advertisers to sell or give to sports spectators who it is hoped will raise their hands and thus flash the brand name to the rest of the watchers.

The patented scarves are being marketed by Promedia as a self-liquidating premium which would sell at around £1.50. The Rod Stewart contract could be worth as much as £70,000 according to Michael Glass, head of Promedia.

● LBC—London Broadcasting—is running a three-month campaign on both the capital's TV stations in order to coincide with the potential public confusion resulting from the BBC's wavelength changes. It has been said that the BBC might lose as much as 10 per cent of its radio audience following the changes and this could be what LBC might be interested in.

● Gordon Medcalf has relinquished his position as chief executive with Allen Brady and Marsh for "pressing personal reasons".

One step back, two steps forward for Bird's Eye

BY ANTONY THORNCROFT

While there are still companies, especially on the capital goods side, who are just discovering the existence of marketing, Bird's Eye is experimenting with separate cabinets for frozen cakes and confectionery. There will be inquiries as to why some products do better in certain chains, and more specialisation in the advertising and promotional drives. Regional account managers and sales development managers have been appointed to ensure that the new marketing packages are pushed through by the salesman in the field.

This is part of a general Bird's Eye move away from a hierarchical structure, and towards a more consultative organisation. In practical terms it means that the marketing specialists will in future work closely with the customers in the retail trade. Instead of just developing new products, devising strategies, positioning brands, controlling advertising and promotions, over-seeing research and then passing the conclusions on to the sales force to do something about it, the marketing executives of Bird's Eye will co-operate with the main clients in working out the best strategies for particular brands, given the personality of the individual store.

Groups

Already the eight groups that have been formed to co-ordinate with those 40 or so customers

that take three-quarters of Bird's Eye's production for the retail trade, are devising tailor-made marketing plans. For example, Asda is experimenting with separate cabinets for frozen cakes and confectionery. There will be inquiries as to why some products do better in certain chains, and more specialisation in the advertising and promotional drives. Regional account managers and sales development managers have been appointed to ensure that the new marketing packages are pushed through by the salesman in the field.

Range

Of course, this identification with customer needs has always been imperative in frozen foods where sales are controlled by the amount and the competition between Birds Eye and Findus in particular to get the franchise. It is made doubly imperative by the range of frozen foods, from the big three—peas, fish fingers and beefburgers which are enormous in terms of sales, but carry low profit margins through the supports, like potato products; down to the added value lines which command the higher profit margins.

Sales

The absolute minimum feasible sales of these new lines is £500,000, and the company expects them to top £1m. It is through new products that Bird's Eye aims to dominate a frozen food market of over £1.5bn in 1983, a jump of a third on the 1980 figure.

the integrated marketing units as a sales gimmick; the same integration, with the aim of creating a small company image in a mammoth organisation, is being attempted on the production side, too.

Alongside the new structure the fight to maintain Bird's Eye's 50 per cent of the frozen food market continues. There are the usual dozen new products of which more than half will stay in the course, a much higher return than usual. There is bubble and squeak to be launched next week in Yorkshire; dairy cream Swiss roll has just gone national, while bacon burgers are now on test in the Midlands; buttered herring mackerel has done well enough on test to justify a quick national launch; and so has chicken in mushroom sauce; and also next week there is a range of vegetables in sauce.

New products—why the simple idea is often the best

BY PETER KRAUSHAR

ALL OVER the land executives and directors are scratching their heads in an attempt to find new development opportunities. Many are new at it and are rightly worried about the problems involved: some do not even realise that there are problems! Some have been at it a long time and have become hardened cynics; a rare few have established a good track record and are looking for the right environment for action within their companies; many of their salaries are doubled and all attempts resisted to move them to other posts.

There are lessons to be learnt from a look at some past successes and I have tried to find those of which I have personal knowledge (in different ways) as it is difficult to arrive at the truth from the outside. Some are ancient history dating from the 1850s, but their continued success confirms the soundness of the ideas and the absence of life cycles which are usually just an excuse for an unsuccessful venture.

Crown Plus Two paint, surely one of the biggest successes of the last 15 years, was a simple technical idea emerging from R and D as there was clear benefit in the non-drip approach which Magicote had pioneered; concentration on the Crown brand represented a sensible tidying up of the different paint brands in the R and D stars and the possibility of spending all the media efforts on one brand only made an enormous difference.

The creation of the piffing market by Pickering's, then owned by Fisons, owed much to North American experience and to adaptation of Canadian products to UK tastes; it also showed that it is possible to brand a commodity by the addition of a little starch to canned fruit and by establishing a particular positioning in the market.

Glaxo-Pine, which has become a profitable line for Reckitts in household products, reflected the company's interest in finding an opportunity which did not hurt Detroit and yet did not compete directly with Procter and Gamble and Levers in the cleaning area: in-between products too often finish up as weak compromises, but in this case the opportunity for a disinfectant cleaner was found and exploited.

Stuffed-Miller's Dent-Creme and Sensodyne were both products which had done well in the U.S. and have found their niche in the UK. It would have been madness to compete directly with Colgate, Beecham, Lever and Procter and Gamble, but there was a definite need for such specialist products as a toothpaste for false teeth and a toothpaste for people with sensitive teeth—areas too small to be of interest to the toothpaste "big boys".

The planning and launch of Shelter was surprisingly similar to that of a new product. There was clear need for an organisation to raise money to be allocated to regional housing societies and the use of a com-

mercial market research and marketing approach led to excellent results and a level of development which has kept thousands of homeless people; it was most satisfying to see that a commercial approach worked so well in such a cause.

Back to the more mundane items such as ready-pasted wallpaper which had been successful in the U.S. and which pricing research showed able to command a premium over standard papers in the UK. In the business publishing market there seemed a need for market studies with accurate and original material and Mintel was created which has more than met the original expectations.

In sunglasses, a large and growing market with only one strong brand in Poland, there seemed to be scope for another brand supported by heavy advertising and the joint venture between Wilkinson March and Foster Grant was one of the greatest successes in recent years.

On the other hand, Reckitt's and Colman's diversification into arts and crafts, culminating in the acquisition of Reeves, Winsor and Newton and a number of U.S. companies, was a longer term project in growth area, in breakfast cereals where there have been so many failures, it seemed to be a mistake to launch a brand in Poland.

There can hardly be a more mundane commodity than water, yet the idea of a waterpocket of matches for the kitchen seemed reasonable if only the concept could be justified by a premium and pricing research showed that it could; Bryant and May's Cooke's Matches has become a successful brand in this commodity market.

In beer the opportunity for low carbohydrate beers was seen before "lite" beers succeeded in the U.S. and planning led to Bass Charrington's Hemeling, claimed in this country. And as housewives use more wine in cooking, what about concentrated cooking wine? Broke Bond's Bon Cooking Wine was a simple, but distinctive product meeting current needs.

One could go on, but I hope that the point has been made. Although an enormous amount of thought went into finding and evaluating the 15 successes briefly mentioned in this article, they all represent fairly obvious, common sense ideas; in practice the really imaginative highly creative ideas tend to be too difficult to explain and are of minor appeal. If the reaction to a new product idea is "how obvious, I could have thought of that," that should be regarded as a compliment. And the 15 show that it is possible to find new opportunities even in some very unimpressive markets.

Peter Kraushar is chairman of Kraushar Andrews and Easie.

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TV & Radio 78

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The undersigned announces that the Sanko Steamship Co., Ltd., will not declare payable an interim dividend per record date 9.30.78.

For this interim dividend in designated div. No. 11, which div. can. will consequently be null and void.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam.

28th September, 1978.

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U.S.\$2,560,000 instalment will remain outstanding after 7th December, 1978.

30, Crenshaw Street, London EC3P 2LB. 5th October, 1978.

DOLLAR LAND HOLDINGS LIMITED

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The following resolutions have been passed at the meeting:

1. That the Board of Directors of the company be authorised to vary the Resolution passed at the meeting.

2. That the Board of Directors of the company be authorised to vary the Resolution passed at the meeting.

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The Marketing Scene

Winning the gift war: why Parker is write on target

BY MICHAEL THOMPSON-NOEL

THE PARKER PEN Company is rather special. So special, in fact, that it is among the select half-dozen companies whose advertising is now being choreographed by another rather special company, Frank Lowe Ltd, on behalf of Collett, Dickinson, Pearce.

When he resigned recently as managing director of CDP, Mr. Lowe—youthful doyen of London advertising—said he would continue to act as CDP account director for six top clients: Parker, Whitbread, Olympus Cameras, Fiat, Birds Eye and Express Newspapers, whose combined billings this year are expected to total £15m.

Challenge

At first sight they seemed a mixed bunch. The common denominator, said Mr. Lowe, was that each was an outstanding enterprise in its own right, was involved in a challenging market situation, and would be a natural recipient, therefore, of the hundreds of good advertising ideas which Frank Lowe Ltd is confident it will generate.

It is easy to see why Frank Lowe likes Parker Pen. Despite the recession and the arduous trek through rounds one, two and three of the pay policy, Parker has flourished at a remarkable

rate for a company that makes and sells quality pens. The cheapest Parker ball pen retails at £1.85, the most expensive Parker product—an 18ct gold pen—much used for signing oil treaties—at £230. In between is a whole range of silver-plated ball pens, rolled gold ball pens, stainless steel fountain pens, plated gold nib pens and fibre pens and pencils—handsome products, all though not what you would assume to be essential items.

But that's the Parker story. Through adroit marketing, Parker has pushed its UK sales ahead by an average of 20 per cent by value in each of the past five years (over 12 per cent by unit). This year it will sell an estimated 5.3m units worth £27m at RSP, compared with 2.7m units in 1972. Parker says that this

year it will take around 34 per cent of total writing instrument sales, expected to be worth £1.5m. This year the figure will reach £1.75m, including just over £1m on main media advertising and £500,000 below-the-line (half on specially-built show cases, the rest on merchandising, etc.). It is spending a further £250,000 on business gift advertising and there is a separate budget of £100,000 for in-store demonstrations.

Part of the reason for this (remarkable) growth is that Parker is not only competing in writing instruments. It is up to its neck in the cut-throat battle zone known as the gift market where Parker pens vie for attention with Ronson lighters, Timex watches, transistor radios, leather goods, etc. (Parker reckons 70 per cent of pens worth £10-plus are bought as gifts).

Because it is fighting the Gift War, Parker spends heavily on

promotion. Last year it spent £1.5m. This year the figure will reach £1.75m, including just over £1m on main media advertising and £500,000 below-the-line (half on specially-built show cases, the rest on merchandising, etc.). It is spending a further £250,000 on business gift advertising and there is a separate budget of £100,000 for in-store demonstrations.

Strategy

That is just the start. The Lynch-pin of Parker's strategy is its insistence on product quality and reliability. There are a great many consumer goods companies that go through the motions on this front, but the Parker philosophy—applied internationally—takes depend-

ability to extremes. Its after-sales service is so immaculate that a '61 Parker Flighter de Luxe bought for £7.50 in 1974 can be sent today to the Parker plant in Newhaven where it will be repaired, cleaned and totally overhauled for 70p. You get it back in five days.

According to Parker's UK marketing director, Jacques Margry: "The benefit of the product in the consumer's hand is the least rated aspect of marketing, but we believe that a premium service must go hand-in-hand with a premium price. We've got the resources, size, standing and tradition in the UK to implement this policy, though it requires a lot of time, planning and muscle to give this particular route."

Parker also claims to have

developed an enviable dealer network (about 10,000 outlets are served by a 70-strong sales force), and says it has gone all out to improve retail visibility and dealer support.

On top of which it produces a steady stream of new products—ten in the last two years, the latest of which is the Falcon range. The Falcon fountain pen, which retails at a recommended £15, has no separate nib—the nib is part of the pen casing.

Policy

Invariably, the Parker play is to promote most heavily its most highly-priced pens in order to render the lower-priced models more desirable by association. Thus a third of the advertising budget is devoted to the top-range fountain pens though they account for only 20 per cent of sales. In this way it does not have to compete on price with Papermate, its strongest rival in the ball pen market. Papermate models are available at prices below £1; the Parker equivalent costs £1.85.

It's a clever way to run a business. But then Parker makes exceedingly good pens, which is why Frank Lowe Limited plans to assist it with a continuing supply of exceedingly good ads.



Parker Falcon and friend

Winston Fletcher takes an envious look at the newspaper which claims to be the world's leading seller of classified advertising

The Los Angeles Times—an ad man's dream

THE LOS ANGELES Times boasts that it is the world's leader in classified advertising. With well over 5m small ads a year, it is not a brag anyone is likely to dispute. Weekdays it carries a minimum 20 pages of titles, and a good Sunday will bring a 120-page section crammed with more than 50,000. It's like a combination of Exchange and Mart and the London Weekly Advertiser published daily with news, sport and features thrown in as a bonus.

At just over 1m, the L.A. Times's circulation is not huge by UK standards, though of course it is a local rather than a national. It is also the largest daily in California, and this pole position, together with its wide readership within the State, brings it an exceptionally broad spectrum of recruitment advertisements—from directors of building at \$47,000 a year to butlers in Palm Springs (the salary, quoted, from plumbers to printers to psychiatric nurses, from messenger boys to metallurgists to medical directors. No single UK paper carries nearly so catholic a range of job ads.

Moreover, its power as a recruitment medium is greatly enhanced by very local classified supplement. For example, the San Diego edition daily includes its own additional 12-page classified section.

About two-thirds of the classifieds are situations vacant ads. (displaying its power of positive thinking, the L.A. Times calls them Employment Opportunities in importance are Properties and Automobiles, each occupying a further 10 per cent of the total, the staple diet of classified advertising columns throughout the world.

Even so, some of the transportation advertising is peculiarly American. Your average British classified space rep. would not greatly relish trying to sell a half-page of second-hand small aircraft ads daily, nor a column's worth of fine mares and stallions every week.

David Ogilvy, in a recent speech, claimed he can invariably identify a thoroughbred

patent medicine copywriter by carrying out a simple test. Show a true patent medicine man a pharmaceutical pack. Ogilvy claims, and he will pay little or no attention to the colour or surface design. Instead he'll go straight to its jugular: the formula. He will want to know precisely what the ingredients are and what they do.

You can similarly recognise a thoroughbred adman. Give him a packed classified paper and he will immediately be hypnotised by the cornucopia of salesmanship in small print. Nevertheless, a fully-fledged thoroughbred will know there to be a fundamental technical difference between classifieds and display advertising: classifieds assume the reader has chosen to seek them out and read them, whereas display ads need to force themselves and their products upon the reader's generally uninterested attention.

This difference explains why, despite the pleas of classified advertising enthusiasts and salesmen, it is not a suitable vehicle for brand advertising. Not that this in any way lessens it as an advertising medium. They account for more than 20 per cent of total UK advertising expenditure and are the bulwark of the country's prosperously thriving provincial Press.

Though the aforementioned thoroughbred adman will know it to be dangerous to apply too simplistically the rules of display advertising to classifieds, or vice versa, the Los Angeles Times classifieds constitute a toothsome feast. Scattered throughout its type-laden columns the paper repeatedly offers: "Let us help you write a Resultful ad." (Though regret-

ably not to be found in the Oxford English Dictionary, resultful is the best single-word definition of advertising creativity I have come across.)

This generous offer is itself not very resultful, since few of the advertisers seem to take advantage of it. Doubtless like larger—and even smaller—there is totally integrated with all aspects of the economy. From Forest Lawns' promotional literature through to my favourite dentist's billboard, Americans patently and instinctively know advertising to be merely a cost-effective means of communicating selling messages to target markets.

The 5m plus small ads carried each year by the Los Angeles Times highlight simultaneously the extent to which the U.S. public automatically turns to advertising to solve its communications problems and the extent to which the media see themselves very directly as advertising vehicles.

Winston Fletcher is managing director of Fletcher Shelton Delaney.

Carefree launch

THE PRICE COMMISSION'S contentious report on sanitary protection and other hygiene products earlier this year claimed there was not enough competition in the sanitary market—partly, it felt, because the weight of advertising support lavished on the dominant brands was holding newcomers back.

Well, no sooner said than done. Today, Johnson and Johnson is initiating a major entry into the £60m sanitary market with the launch of Carefree panty shields. According to Peter Mitchell, director and general manager of J and J's consumer products division: "Far from duplicating existing products, it will establish a new growth sector in the sanitary market. We are currently taking the unprecedented step of moving into a national launch following considerable

UK development and research but without the usual test marketing."

Confident is the word. The launch involves £1m worth of advertising, promotion and sampling: 7m samples will go firstly into issues of Woman, Women's Own and Women's Realm and subsequently into other women's magazines.

Carefree is already selling well in 16 other countries. In the U.S., where it was introduced two years ago, it is now a \$40m brand. In the UK, says Mr. Mitchell, sales should reach £2m in the first year compared with the £5m currently enjoyed by J and J's Baby Powder, its top-selling UK consumer product.

J and J, whose total UK consumer sales this year should total £20m, says Carefree could capture 10 per cent of external sanitary sales eventually.

SENIOR P.R. CONSULTANTS

A small highly professional corporate Public Relations consultancy, located in Central London, is looking for two senior consultants to handle portfolios of long-standing blue chip industrial clients. Previous consultancy experience is not required but a minimum of five years' commercial or industrial P.R. experience at management level is essential. Graduates with knowledge of engineering, electronics, energy, aerospace or pharmaceuticals would be preferred. Age range 28/40. Salary negotiable, in addition to profit-sharing bonus scheme.

Apply in writing to:
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TV, women's Press and posters all figure in the latest, £1m, Brooke Bond drive for P.G. Tips packet tea. The company says it is the "biggest ever push" given to the tea and "amounts to the

highest ever level of spending on packet tea by any single brand in the market." The chimps are in the two new TV commercials and the agency is Davidson Pearce Berry and Spottiswoode.

- Boots the chemist is spending Davidson Pearce Berry and Spottiswoode.
- The arrival of Marks and Spencer to the Woolmark fold is being celebrated by the store chain and the International Wool Secretariat with two TV commercials. Both films feature St. Michael M&S garments and are in addition to the main wool campaign on TV. Agency: Davidson Pearce Berry and Spottiswoode.
- Philips is to begin its biggest pre-Christmas campaign for shavers on October 15 when the first of two new 45-second TV commercials is screened on the network. There is also a pre-campaign set of 90-second afternoon spots to make the announcement to the trade and trade Press advertising. Radio is on the schedule for later in the autumn.
- What is said to be the biggest poster site in the world has been taken for three years by Sealy Beds for its Sealy Posturepedic. The site measures 140 ft by 15 ft and is at London's Clapham Junction where it is truly visible to commuters. Agency: Lintas.

The Rotisserie. Normandie offers you that extra personal touch. Just phone Joseph Laverie, our restaurant manager, and ask him to send a copy of his menu to your home or office. This way you'll be familiar with our dishes when you arrive for dinner. The Rotisserie Normandie specialises in La Nouvelle Cuisine, the totally natural style of cooking that is sweeping France. Whilst the dishes are new and exciting, the atmosphere is good old-fashioned candlelight. Have an evening to remember at London's most exciting restaurant. Also open Sundays!



The Rotisserie Normandie at the Portman Hotel in Portman Square, London, W1H 9PL. 01-486 5844

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Southern Television can give you a facelift.

The face which your company shows the world may not be quite as clear cut as the one you see in the boardroom. Corporate advertising on Southern Television can help to put that right. Communicating your aims and philosophies to a wider public. Research shows that Southern, with a high count of opinion-forming ABCs, is an ideal area in which to lay the foundations of a successful corporate campaign. Face up to the facts and ask for more information. We'll be happy to show you our corporate identity audio-visual presentation.

SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

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McGraw-Hill is the name. We publish a total of twenty-nine specialist magazines. They reach thirteen million readers world-wide.

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Tel: (468) 516 870.

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Tel: (611) 720 181.
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Aviation Week and Space Tech.,
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Norbert Schumacher
Modern Plastics International,
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Tel: (21) 223 373

BELGIUM
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de Namur.
Brussels 1050.
Tel: (322) 513 4517

BusinessWeek	INTERNATIONAL MANAGEMENT	Aviation Week & Space Technology
Modern Plastics	CHEMICAL ENGINEERING	Textile World
Electronics	Chemical Week	33 Metal Producing
COALAGE	Power	ELECTRICAL CONSTRUCTION AND MAINTENANCE
Construction Contracting	Engineering	

Sadler's Wells

The Prodigal Son

by CLEMENT CRISP

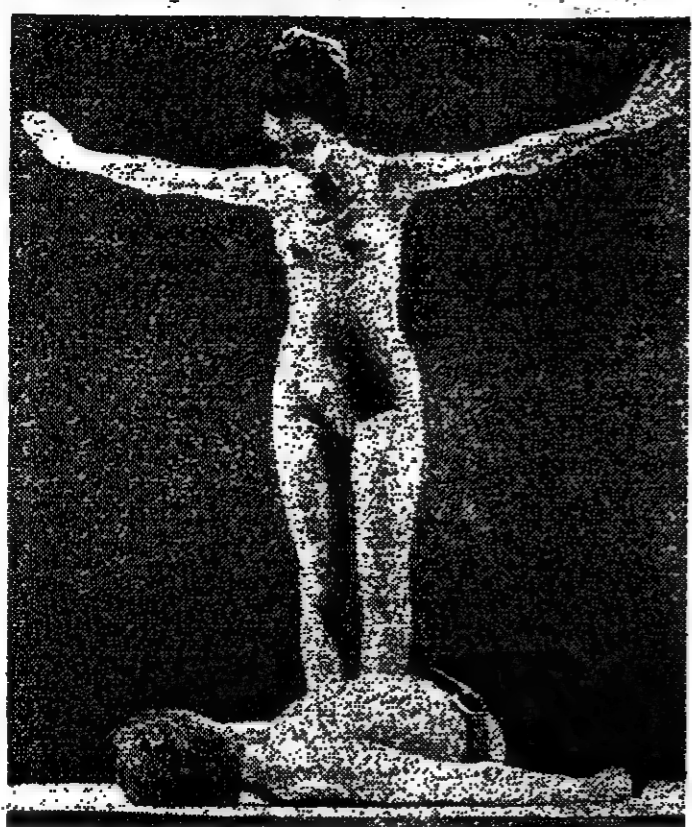
The Prodigal Son is a prime piece of balletic Art Deco. In the stylisation of its language it is as much a product of its time as the late 20s — as any cinema of the period. It is also a fascinating example of dance narrative. Balanchine's expressionistic manner tells the tale in almost ritual fashion: only the Prodigal is "real," the other characters seeming abstractions of the forces that bring about his degradation.

It is the merit of Desmond Kelly's incarnation of the title role, seen on Tuesday at the Wells, that his intensity of feeling and his dynamic force should be so sharpened by the conventions of the part: his coiled-spring energy, desperate to be off into the world, is compelling in the opening scene; his innocence when faced with the Siren is most touching. Oddly, in the final scene, when the Prodigal drags himself back to his home, gestural naturalism supplants the stylised dance, and the interpreter is thrown on his own emotional resources.

It calls for a conflict between beauty of plasticity and a body broken and degraded, and Kelly

brings it off (aided by John Auld's dignity as the Father) with not a blemish of foot put wrong. The interpretation is a grand one, and the rest of the cast are no less convincing: here is a Diaghilev ballet alive and well, its power undimmed.

Musicians are warned that Hans van Manen's *Grosse Fuge* has bludgeoned itself back onto the Wells stage. In view of the exquisite musical sensibilities at Covent Garden that drew back from *Das Lied von der Erde* and the *Fauré Requiem*, it is quaint to discover a monstrous vulgarising of late Beethoven in the balletic repertoire. I find insufferable every aspect of this tawdry piece of Philistinism: the portentous wrappings that accompany the Great Fugue itself, and the phenomenal silliness of the sight of four women clinging onto leather belts worn by four men in black bathing costumes while being dragged on their haunches across the stage as the Opus 130 Cavatina is played by a string orchestra. When there are so many interesting unperformed works in the Wells repertoire, the return of this brute is all the more regrettable.



Lois Strike and David Ashmore in 'Grosse Fuge'

Theatre Upstairs

Night Fall

by B. A. YOUNG

As I have only a vague idea what the five members of the *Night Fall* are doing, my judgment that they seem to be doing it with ability and even with charm should not be taken as unassailable.

They represent a community living in five little dolls' houses around the stage. They try to grow things in their gardens, but things don't grow. Now and then, an aircraft flies over, and drops supplies of rag dolls. From time to time one of the community withdraws into a ecstatic trance; or exhibits a collection of worthless trivials; or gives a cake to his neighbour; or seeks help in some such fundamental problem as "How do you buy things?" or "How do you know what to say when you talk?" Occasionally they stop for a glimpse of boiled potatoes and water. They have nightmares, too, of floating in the air and making love, or of being raped by a terrible earthy figure baring all over with knives, forks and spoons, or of having one of their dolls stolen by a great blond giant. It all leads to a great ceremony, where they

bring out the dolls they have collected during the year, mount them on poles, and make speeches about them. The dolls are horrible, they say, but we are worms. There follows a ritual of song and dance; and at the end of it, they all agree, they have no time for it.

Next day, though, their sterile little gardens have each grown a cabbage. So perhaps we know now what the play is about—it is a fertility ritual. But oh, there is so much that seems irrelevant, so much verbiage (20 lines of dialogue to express thanks for the gift of a cake), so much naive representation of common social traffic.

Night Fall is written by David Gale and directed by Hilary Westlake, who also composed the music of the sound-track. They have worked together on nine plays, and my reaction to a first sight of the company is that it suffers from a kind of artistic incest, that things are plain to them because they have lived with them so much, but they do not make them plain to an uninstructed audience.

Night Fall is written by David Gale and directed by Hilary Westlake, who also composed the music of the sound-track. They have worked together on nine plays, and my reaction to a first sight of the company is that it suffers from a kind of artistic incest, that things are plain to them because they have lived with them so much, but they do not make them plain to an uninstructed audience.

Mr. Battle has a marked feeling for the continuity of this score. There were stretches in the first act where one was almost persuaded that the opera was through composed, without separate numbers or recitative. This was the more remarkable since the secco recitatives were the weakest part of the performance. They went too slowly, in the mostly indifferent Italian. The part of the singers' training could not be done in public or the excuses for inflicting the original language on a non-metropolitan public evaporate. Secco recitatives really well done will hold an audience even when they can't follow many of the words; attention on Tuesday night was slipping a little.

Record Review

Catching Up

by DAVID MURRAY

Balaskirev: Symphony nos. 2 and 3. London: ASD 3502. £4.50.

Rimsky-Korsakov: Piano Concerto. London: ASD 3506. £4.50.

Glazunov: Piano Concertos nos. 1 and 2. London: ASD 3506. £4.50.

Rimsky-Korsakov: Piano Concerto. London: ASD 3506. £4.50.

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It is a characteristically broad and invigorating canvas, vividly and lovingly rendered by Rostislav Pletnev, its tremendous energy—there is a Scherzo "alla Cosaca"—and a grand final Polonaise—comes in large part from the taut economy of its construction, more original and sophisticated than almost anything in the work of Balaskirev's immediate successors. We must stop thinking of Balaskirev as merely colourful and hyper-Russian.

Rimsky-Korsakov's tidy one-movement Piano Concerto is a professional product. Affable and ingenious, there is not much compositional pressure behind it, but Igor Zhukov and Rostislav Pletnev made it a gleaming showpiece. Zhukov is tirelessly brilliant in the Chaikovsky Concerto.

Book Reviews appear on Page 33

Fantasy, op. 58, too, where the composer's unmistakable voice speaks through a construction of raw naivety. The record is completed by his juvenile Concerto Allegro, and a new realisation of an early Skryabin 3-piano Fantasy which was apparently intended to become a solo concerto. The record is completed by his juvenile Concerto Allegro, and a new realisation of an early Skryabin 3-piano Fantasy which was apparently intended to become a solo concerto.

The record of Glazunov's two piano concertos proves to be more than a pious gesture. Alexei Nasedkin is as energetically expert as Zhukov in the First Concerto, where the romantically emotional gestures always suggest costumes and make-up. In the sensitive hands of Dmitri Alexeev the Second Concerto lives and breathes far more persuasively: there is real tenderness in its shapely melismas, with no conventional histrionics—as if Glazunov here had decided to settle for his own comfortable persona. Alexeev is a genuine stylist. On a new Pearl label, Leslie Howard is meticulously clear in Glazunov's complementary pair of piano sonatas (which pre-date the concertos); the effect is gracious but short-breathed, for Howard allows the line to fall regularly into little pieces, the last of his major works to reach the catalogue.

Whether through adventurousness or just boredom with the standard repertoire, performers and their recording companies are exploring neglected music assiduously. The result is that composers who used to have the merest toehold in the catalogue—one or two pieces filling up records devoted to established familiar music—are at last fully and fairly represented. The spread of imported discs is a help, and for Russian music the HMV link-up with the Soviet Melodyia has been extremely fruitful.

Recent clutch of HMV Melodyia releases, including Balaskirev's Second Symphony of 1900-1908, the last of his major works to reach the catalogue.

Not much farther West, Szymanowski continues to be

generously displayed on the Aurora label. The latest work to appear is his ballet *Harnasie* (The Highland Robbers), op. 55. Sumptuously and imaginatively scored (there is a chorus, too, and an heroic tenor where I half suspect a lyric tenor might have filled the bill better), it lacks only a guiding musical thread. Szymanowski felt himself constrained by the banal ballet-story forced upon him, and *Harnasie* does not achieve the wholeness of his best scores; but section by section, in Rowicki's fine Warsaw performance, the music is fresh and arresting.

Like many another French composer, Albert Roussel has suffered from the fact that many of his mature works are for inconveniently non-standard ensembles. On the Harmonia Mundi label—in a bare, thrifty format—members of the Quintette Marie-Claire Janet undertake three excellent pieces: the op. 21 *Impromptu* for harp, the op. 30 *Serenade* for flute, harp and three strings—known from the old Melos Ensemble recording, but executed here with at least as much elegance and above all the op. 40 *Flute Trio*, a work whose smooth, unemphatic exterior conceals its toughly thought-out substance. The performances are insightful and impeccably poised. Roussel's very late Cello Concerto, op. 57, is robustly and crisply delivered by Sasa Vedomov with Frantisek Vajnar and the Prague Radio Symphony; the rest of the record goes to Martinu, early and late—a promising Concertino, and the witty, prickly Sonata da Camera of 1940.

Bartók's Sonata for two pianos and percussion, a masterpiece, owes its current recognition very much to the gramophone. Not long ago I praised the brilliant, steely performance of it by the Kontarsky brothers on DG; now Stephen Bishop Kovacevich and Martha Argerich have recorded it for Philips. Less aggressive but not a whit less dramatic, this is a richly musical and convincingly exciting account of the music. The virtuoso percussionists are Dutch, and Bartók's jockey xylophone part is marvelously done. The pianists also offer the best most sensitive performance of the late Debussy *En Blanc et Noir* suite that I have heard in recent years, with assured grace—and a charming bonus in a bit of late Mozart, the K. 501 *Andante* and *Variations*.

A last word for the new Nonesuch record by Gilbert Kalish of the "Concord" Piano Sonata (the Second) by Charles Ives. Very well recorded, Kalish offers a deeply searching reading of this vast, complex piece. On this, and a few other works the highest claims for Ives must rest. Kalish captures its expressive, range nobly, and clarifies its impressively intricate cross-references with superb conviction.

The second act brought Josephine Veasey's Fricka, a finely detailed terzangant (though she used to expand more generously for "Deiner ewigen Gattin"). And again Donald McIntyre as Wotan, gripping one's attention continuously in the long monologue. It also brought Bert Lindholm back to the role of Brunnhilde. The hint of steel in her voice is appropriate, and she is everywhere both secure and movingly sincere. But Brunnhilde's swarming should not wait upon Siegfried; her eyes are opened at Siegfried's refusal to abandon mortal love for a place in Valhalla, and in defending herself to Wotan she discovers her separate self. Those things are not yet reflected in Lindholm's swarming, which remains forthright and eager.

The Friedrich production does not help her. She is still kept to a visually effective silhouette in the Annunciation scene with Siegmund; and in Act 3 "War of the Gods" she is kept to a silhouette, which we ought to wait in trepidation while the Valkyries flee—is still prefaced by a distracting stage revolve, wrongly suggestive of a time-lapse. Mr. Davis took that set passionately and swiftly, with scant room for reflections-on-leave-taking to gather weight. The dramatic force was considerable, and Mr. McIntyre's Wotan was wracked enough; but the mysteriously consoling five-note ostinato that supports his Farewell, well ought not to sound jaunty, and it nearly did. Enough was right nonetheless to make this a stirring performance.

Walter Weiler, who conducted, is an Austrian who is becoming increasingly known in this country's concert and recording circles, and who has since last autumn been principal conductor of the Royal Liverpool Philharmonic. On this occasion he infected the London Philharmonic Orchestra with evident enthusiasm for the unfamiliar score, which demands of the woodwind and brass the same precision and stamina as a symphony by Chaikovsky. Equally impressive was the rich and carefully moulded as it was here, must be held worth an occasional revival.

But Rakhmaninov's Piano Concerto No. 2 came off disappointingly. Josquin Achardro was an under-powered soloist, manifesting neither the emotional sweep nor the big, steel-muscle tone expected. It was perhaps no wonder that the orchestra occasionally drowned him, but a more considerate conductor might have attempted to scale down the accompaniment to the dimensions of the soloist's performance.

This last movement, in fact, might have succeeded wonderfully well if movements of properly symphonic intensity and structural weight had not preceded it. (Chaikovsky, when

writing symphonies and not ballets, saw what balance between movements was necessary.) As it is, Glazunov's Fifth is too light to claim permanent elevation into the symphonic canon—but, when so incisively played and carefully moulded as it was here, must be held worth an occasional revival.

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John Saxby and Mary East

Round House

Future Shock

Future Shock, a success at last year's Edinburgh Festival, has finally reached London. On the first night's showing it is hard to know whether the journey is worth it: the promising and the banal jostled together, with bewildering rapidity, and if the frenzied energy finally created a wayward charm there is surely more work needed before it can hope to travel further.

Based on the book by Alvin Toffler, *Future Shock* on stage becomes an animated version of Cosmo magazine. All the elements of a trendy woman's weekly—the agony column, the social problems, the love story, are followed through with a sick irony. The answer to what

happens to spare children in a divorce is disposable children; the advice to deserted women is a pill which takes away the mind. The acting is shared between Chris Morton and Pamela Wendy Ellis who, when not drowned by the band, survive well.

But it is the band, and the music, which dominate the show. Like the writing, and the direction, it comes from the rather over-extended John Saxby, together with Lionel Gibson who, in this co-operative venture, also plays lead guitar. The female vocals are handled by Mary East. It is intelligent rock with some likely songs especially "You are my fourth love" and

"We're together." and rather dominates the acting vignettes. There are plenty of ideas in *Future Shock*, and the occasional good line, but the structure is so loose it is all but invisible, and before any theme is really developed the guitars are wailing away towards the next spotlight.

With more confidence from all concerned *Future Shock* might mildly pass a couple of hours. There is a dummy ending which is confusing, but the final number, which finds the band dressed as fruit, at least provides a genuine frisson of originality. Unfortunately it shows up the fragility of the plot. Plot?

ANTHONY THORNCROFT

Elizabeth Hall

Piano and brass by MAX LOPPERT

The Contemporary Music Network, one of the most valiant and wildest of the Arts Council's musical projects, has commenced its 1978-79 season with a programme of music for piano solo (Liszt, Feldman) and music for piano and brass ensemble (Gehlbauer, Xenakis), which in the next fortnight will be toured across the country. On Tuesday at the Elizabeth Hall it proved to be an intriguing concert mixture, with longeurs and stimulation in thoughtful balance.

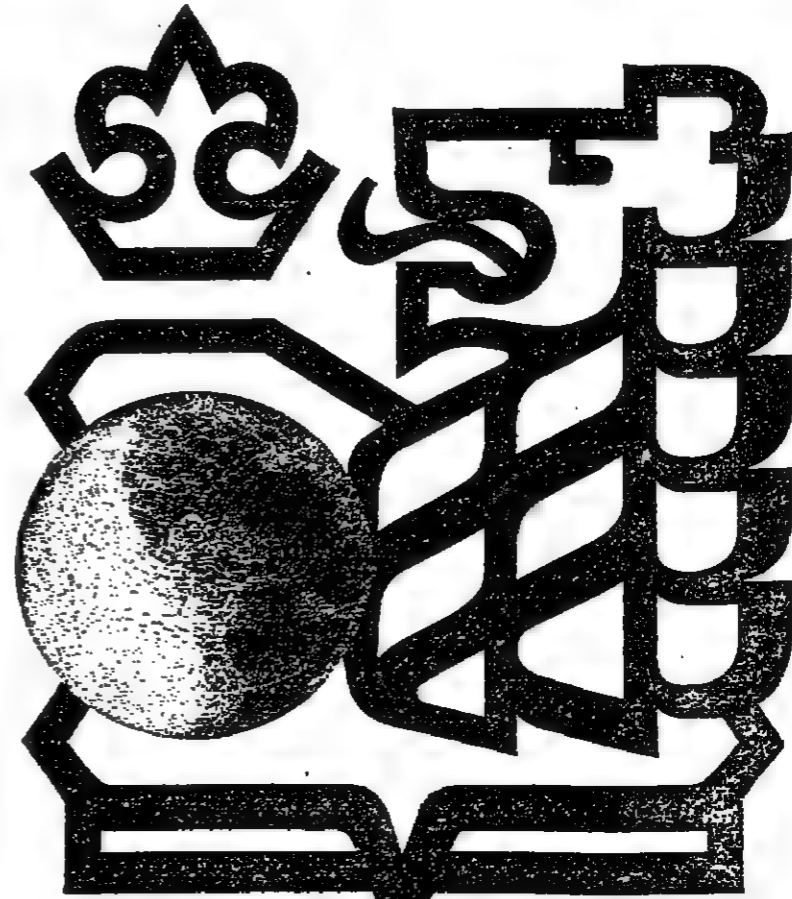
Roger Woodward, pianist of the evening, played Liszt's *Les Jeux d'enfant* and Spontini's *Of them he gave*, and a few other works the highest claims for Ives must rest. Kalish captures its expressive, range nobly, and clarifies its impressively intricate cross-references with superb conviction.

recital a season or two ago, Mr. Woodward's playing was here fully informed by a sense of discipline, along with his fine control in sustaining and differentiating varieties of soft sound, discipline was a quality invaluable in the first London performance of Morton Feldman's *Piano* (1977). The composer requested the omission of a programme note—"the piece speaks for itself." And it does, in authentically slow and (dare one say it?) soporific Feldman fashion. An exploration of the topmost and bottom-most registers of the instrument and one or two luscious in-loud interjections briefly promised a slightly less restricted view of the piano's capabilities.

For the tour, a piece for piano, two trumpets, and trombone, Xenakis' *Enta*.

Strangeness, Colour and Charm was commissioned from the German-born, American-trained composer Rolf Gehlbauer (b1943). The title is not what it seems; the abstract qualities are "quantum characteristics of the smallest sub-atomic particles," and have "(no) connection with conventional meanings; they are arbitrary labels." Nevertheless, there was a good deal of strangeness, colour and charm in their conventional meanings, in the piece—Mr. Gehlbauer has a strong sense of the instruments, particularly the way brass can be laid on top of, can seem to emerge from, the overtones of the piano. Mr. Woodward and the Philip Jones Brass Ensemble were conducted by Guy Protheroe, who led an enlarged form of the same forces in two trumpets, and trombone, Xenakis' *Enta*.

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Syria losing in Lebanon

THE INCREASED level of fighting in Lebanon between Syrian forces and local Christian militias is a tragedy for that country which poses severe dangers to the current drive towards peace in the Middle East. In several ways, the bombardments are a replay of what happened when the civil war broke out in 1975. That coincided with the conclusion by Egypt of the second Sinai disengagement agreement with Israel. While this was undoubtedly an important precursor in the current negotiations between Egypt and Israel, it had, then as now, the side effect of an explosion in Lebanon.

It occurred because Lebanon's political and social structure had become anachronistic and no longer reflected accurately the changing balance between Christian and Moslem parties in the country. This made it fertile ground for inter-Arab disputes exacerbated by the Sinai agreement. But above all, Syria became deeply involved, partly because it wanted to divert attention from the agreement and partly because it badly needed to build up its influence in the area to the north and east of Israel. Much of the same has happened again since Camp David.

Higher stakes

The civil war cost many thousands of lives and went a long way to destroying the Lebanese economy. This time, however, there is an additional and even graver feature in that the stakes after Camp David are higher. The two "framework" agreements represent not only the most important diplomatic initiative since the conflict started, but also the start of a negotiating process which could turn out, if other states join in, to be irreversible. In addition both Syria and Israel are now more dangerously and directly involved than in 1975-76. Firstly, Syria has some 30,000 troops on the ground as part of the Arab peace-keeping force. Secondly Israel has built up close ties with the Christians and threatened to intervene on their behalf. The potential for a damaging Syrian-Israeli collision is there.

Three desperate parties are involved in Lebanon. The main role is played by the Syrians, whose policy seems to have lost its way badly. Since 1975, they

have changed their support for the Muslim Lebanese factions.

When the civil war started they supported the Moslems and the Palestinians, shifting to the Christians when it looked as though they might be defeated.

Now they are back to putting pressure on the Christians by heavy bombardment of east Beirut. At the same time, Syria claims to know what President Sarkis of Lebanon wants, but every move they make betrays a sad lack of understanding of how Lebanese politics work.

Although Syria claims to be giving full support to Mr. Sarkis as the national leader, its actions have served only to undermine the position of the President, who has no credibility with the Christians and increasingly less with the Moslems.

Secondly, the Christians are desperately hoping that some party—mainly the Israelis—will come to their aid. Thirdly, the Palestinians, not unlike the Christians, can see some advantages in luring Israel and Syria into a clash which might conceivably destroy the negotiations which are due to begin in Washington later this month.

For the moment, it would seem that the chances of a clash occurring are limited, unless one side or the other miscalculates. Washington has let Israel know that it does not want direct intervention.

Furthermore, Israel has no interest in jeopardising Camp David and its relationship with Egypt. President Assad of Syria is also fully aware of the risks of a confrontation.

Bogged down

The problem is that Syria is becoming increasingly and almost irresistibly bogged down in Lebanon. It has rejected the U.S. offer of an international conference, and yesterday Mr. Assad appeared to deride a French security plan. For if Mr. Assad were to withdraw it would involve a loss of face and an admission that his policies were both wasteful and wrong on such a scale that his regime might be endangered. But while bittling the Christians, he is also not being successful in cowing them. On the contrary, he is probably helping them to do what Syria has always opposed—to partition the country and create an enclave outside the control of Damascus.

Too many hands in the till

THE NUMBER of Government agencies disbursing taxpayers' money has increased, is increasing and ought to be diminished. That is the inescapable conclusion from the latest batch of reports from the House of Commons Public Accounts Committee. While the Committee has not unearthed any spectacular new scandals, there is plenty of evidence of misplaced optimism, inadequate controls and sloppy administration. In the field of employment preservation, especially, politicians have been too ready to create new departments or institutions, often with substantial budgets and with an uneasy mixture of social and commercial objectives. Detailed oversight of their operations by the sponsoring Ministry or by the Treasury is either not feasible or thought to be incompatible with their commercial role. The people appointed to run them are eager to spend the money, thus demonstrating to their political masters that their decision to set up the agencies was correct. The result, too often, is waste.

Monitoring

One example described by the Committee is the Job Creation Programme, started in the autumn of 1973 as a temporary measure to provide short-term jobs of social value in areas of high unemployment. By 200 staff from the Manpower Services Commission, supports work-creating projects sponsored by a variety of bodies including charities, voluntary organisations and local authorities.

As the Public Accounts Committee reports, the financial control exerted by the MSC has proved to be inadequate; too many of the sponsored projects were either in financial difficulty or showed financial irregularities. The MSC told the Committee that from the start it "had tried to minimise bureaucracy in order to work quickly and create jobs rapidly." As the empire grew, it was seen that monitoring arrangements had to be improved. This may please the Committee, but it is mainly concerned with assessing "the effectiveness of the administrative and financial control of an expanding area of public expenditure."

The area where the biggest expansion is taking place is the provision of funds to industry: there is a remarkable array of fund-providers to whom companies can now turn, all ploughing their separate furrows and all eager, just like the administrators of the Job Creation Programme, "to work quickly and create jobs rapidly."

The Scottish Development Agency lost some £800,000 on three investments, all of which failed not long after the SDA acquired its shareholding. These investments were made at an early stage in the Agency's life and the management would certainly claim that its appraisal and monitoring procedures are now more highly developed. But £800,000 seems a high price to pay for gaining experience.

Because job-creation and investment are regarded as "good things," any programme or agency which promotes these objectives seems assured, despite occasional blunders, of a steady supply of government funds. This Section 7 of the Industry Act, whereby governmental funds are made available to firms in the assisted areas, has become an established part of the system, even though its cost effectiveness is uncertain. The Select Committee points out that a rather small proportion of the companies in receipt of Section 7 money has achieved the employment increases made variously by the projects or approved. This does not necessarily mean as one member of the Committee suggested, that the whole of Section 7 assistance is a "con," but it does underline the need for regular and rigorous scrutiny of all such programmes.

The civil servants and quasi-civil servants who run these programmes and agencies know they are not going to win any credit in order to quickly create jobs rapidly. As the money or if they hand it out in a parsimonious fashion. The pressure is all in the other direction. This may please the Committee, but it is mainly concerned with assessing "the effectiveness of the administrative and financial control of an expanding area of public expenditure."

The loser is the taxpayer.

Computerisation may pave the way for tax reforms

BY DAVID FREUD

THE INLAND Revenue has embarked on a programme that is likely to result in the first fundamental change in the income tax system since Pay As You Earn for employees was introduced during World War II.

In February it set up a full-scale feasibility study on computerising the assessment of PAYE. This will make the system far more flexible and, more importantly, it will open the door to a series of tax reforms that successive governments have been prevented from introducing because of the restrictions inherent in the present manual operation.

If the expected ministerial go-ahead is forthcoming when the study is completed next year, computers should be handling the assessment of all PAYE taxpayers by the 1986/87 tax year.

A computerised operation would permit Ministers, for instance, to tax short-term benefits, to introduce tax credits, to incorporate local income taxes in the assessment and to add a measure of self-assessment to the system.

Mr. Healey's enthusiasm

All these changes have been considered by governments in the past, but have been ruled out because of the disproportionate staff cost to the Inland Revenue. By the late 1960s, however, Ministers will be able to make these and other changes with relatively little difficulty.

The computers will also enable future Chancellors to step up the frequency with which tax rates are adjusted—an opportunity some will doubtless take advantage of if Mr. Denis Healey's enthusiasm for Budgets is any guide.

More than anything else it is the demands put on the present manual system by recent chancellors that has made the Revenue push so vigorously for computerisation.

Last year set something of a record. The 39,000 staff involved in PAYE work had to revise codes on taxpayers' control cards—known as "con cards"—manually on no less than five separate occasions to take account of changes in personal allowances and mortgage interest rates. There was considerable staff friction at the amount of overtime required, and the latest Revenue report said, "1977 tested the PAYE machine to its operational limit."

Once the records of individual taxpayers have been fed into a computer, however, recording becomes a rapid and automatic process. Tax increases in the second half of the fiscal year, which the present manual system rules out—could be made without difficulty.

The manpower implications have not been fully worked out, but the computers will undoubtedly replace thousands of the clerical staff now employed in assessing PAYE, which brings in the bulk, 75 per cent, of income tax equivalent to about £15bn this financial year.

The Revenue has been flirting with computers since the middle 1960s. Under the 1964-1970 Labour Government there was a programme to computerise all PAYE assessment at nine centres, and the first of these centres, Centre One at East Kilbride in Scotland, started handling Scottish employees in 1970.

The Conservatives called a halt to that programme because they wanted to investigate the possibilities of developing a system to cope with negative income tax and tax credits. The return of the Labour Government in 1974 ended this initiative.

Meanwhile a programme aimed at the collection of tax—which, for security reasons, is a separate responsibility to assessment—proceeded steadily. This spring the first of two computer installations, at Cumberland in Scotland, opened and the second, at Shipley in West Yorkshire, should be operating next year.

The original nine-centre programme for assessing PAYE was not revived after 1974, mainly because computer technology had moved on and the prospect of a "topping" system with instant access to information emerged. The East Kilbride Centre One system has long delays built-in, with requested information taking several days to be produced.

The Revenue has shied away from the prospect of setting up a single instant-access installation—which would require a computer of enormous power. Instead it is likely to settle for 14 separate installations based on the administrative regions established in 1976.

A pilot scheme has been operating since the autumn in Liverpool to see how Revenue staff would adjust to using Video Display Units, called PLANET-PAYE Local Access Network—the computer has done this year's annual recording and early indications are that staff found no difficulties in using the facility.

In March Sir William Pile, chairman of the Revenue, told the Commons Committee of Public Accounts that the move towards computerisation was "progressing at maximum revolutions." The full study set up the previous month was being carried out by a team of 30 Revenue staff complemented by four outside computer experts.

Sir William himself is chairing the steering committee, which includes representatives from the Civil Service Department and the Central Computing



Inland Revenue staff using Video Display Units at the pilot computer scheme in Liverpool.

Agency. Towards the end of 1979, according to Sir William, "the Ministers of the day will be asked to let us go ahead on a proven and detailed plan."

If the plan receives approval, implementation is likely to follow a six-year time-table. For the first 2½ years a computer system will be designed and tested before going into operation for a full year in a single one of the regional centres. At that stage work can go ahead in converting the other 13 centres, creating a national system by 1986.

One of the principal reasons for the painstaking approach is the determination of the Revenue to create a system robust and flexible enough to be adapted in any direction that may become politically desirable. Sir William assured the Public Accounts Committee of the House of Commons that all the important options would be retained and computers would make some of those options practical possibilities—which they were not under the manual system.

Perhaps the most obvious chance politicians will consider is the taxing of short-term national insurance benefits. When introduced these were intended to be taxable, but in 1948-49 the Revenue found it could not cope, so the attempt to include them in assessment was abandoned.

Clearly this has created severe anomalies in a tax system where marginal rates change depending on the level of total income. A recent study by the Ciar Group of economists also

found that it created some incentive for unemployed individuals to delay finding new jobs. Politicians of both parties have called for these benefits to be taxed, so reform in this direction is likely soon after computerisation.

Another practical possibility would be to scrap local authority rates in favour of local income tax administered in conjunction with PAYE. Such a change would be in line with the recommendation two years ago of the Layfield Committee, which concluded that local income tax was the only way of making councils more responsible for their spending.

Different rates

The present manual system could not cope with taking on board all the different rates of tax councils would charge. It would plainly be impracticable to issue employers with 20 or more sets of tax tables to cover all the rates.

Nor could a standard rate be charged—say, 4 per cent—and adjustments made at the end of the year. This would overload a system which relies on five in six taxpayers having the right liability deducted cumulatively during the year—with out needing further dealings with the Revenue.

The same difficulty would not be present in a computerised system, which could automatically assess, print and despatch

which concern has been widely expressed in recent years.

There is already some exchange—authorised by Parliament—of information between the Revenue and the Department of Health and Social Security. This deals with the earnings related National Insurance contributions for employees.

But to what extent should computers belong to different government departments, be linked? There are strong "Big Brother" implications here and politicians will have to lay down some firm ground rules before the Revenue computer system goes live. It is hoped that the Data Protection Committee, set up by the Home Office two years ago, will provide guidance in this key area.

Computerising PAYE should also permit the Revenue to catch up with one of the most fundamental changes in post-war Britain: the growing role of women in the economy. The traditional treatment of the family as a single unit has caused great annoyance to many working wives, and in the last Finance Act several cosmetic changes were made. "Up as now staffing considerations have effectively ruled out any major change in the way the married unit is assessed. Computerisation should make reform feasible."

The immediate impact of computerisation on taxpayers will not be large. Their notices of coding and assessment will be printed, rather than written in ballpoint, and they will receive repayments of excess tax more rapidly than is now the case. They will also receive demands for underpaid tax more rapidly.

Several letters

Individuals whose tax affairs are complicated will receive separate communications on different aspects direct from the computer, rather than the present consolidated approach. This is because it is cheaper to let the computer send several letters to the same address than to halt its output flow.

More important, the off-loading of routine work on to the computer should allow Revenue staff more time to devote to non-routine aspects. Those taxpayers requiring individual help will welcome this, for other people the prospect of tax officials with more time on their hands is not so pleasing.

But tax officials are unlikely to be at a loose end for long. With a sophisticated and streamlined tax system at their disposal it will be an unusual politician who does not succumb to the temptation to bring in reforms that will test the new system's operational limit.

MEN AND MATTERS

Information hard to find

As Labour delegates thrashed over Bingham at Blackpool yesterday, a meeting on the partially-related question of freedom of information was also taking place—or so the All-party Freedom of Information Campaign had claimed in a flurry of telephone calls to Fleet Street. The promised star attraction was to be "a quote from Tony Benn," and a crowd of about 100 people gathered outside the room.

It was too late to ask him about the persistent rumours that Scientologists are active in the All-party Freedom of Information Campaign. King, when tracked down again, said "No MPs are Scientologists," after a long pause, he added "I'm one, but I don't work for them particularly."

The conference yesterday revived an old tradition when it returned to its ritual of calling for a reduction in defence spending. But members of the Campaign for Nuclear Disarmament said they were happy for first time for several years. The reason? That a decision on replacing Polaris has to be taken in the next two years and the CND believes that "Labour will no longer be able to wriggle out of cutting expenditure on nuclear weapons," or so CND secretary, Walter Wolfgang, says.

The disarms, like the Fabians, found that their fringe meeting was not well attended. But rumours about the death of CND have been exaggerated, Wolfgang claims.

Wolfgang was one of the Committee of Four who organised the first Aldermaston march. He believes that support for CND is growing because Britain is no longer in a position to afford nuclear weapons without cutting back expenditure necessary else-

where. But the membership figures show his is an uphill task. There are 50 Labour MPs on CND's books but only a total of some 3,000 members, compared with the heady 100,000 of 20 years ago.

Slight mistake

The American "Financial Marriage of the Decade" lived up to all its advance billings. There this weekend was Edwin H. Yeo, the huge smile permanently on his face belying the tough image he acquired when as Under-secretary of the Treasury in the Ford administration, he laid down the law on the British economy in advance of the IMF loan; and Gretchen Greene, his bride, was looking for a lawyer than a Vice President of the New York Federal Reserve Bank might be expected to.

The supporting cast was equally glittering. Best man was William Simon, the former Secretary of the Treasury. The ushers included Arthur Burns, ex-Fed Chairman (who said he had only ushered once before in his life and that was at a cousin's in his youth); Jacques de Larosiere, new managing director of IMF, and William Rogers, formerly Secretary of State.

Vignettes abounded, both at the reformed church in Bronxville, New York, and at the Westchester Country Club, where the reception was held. The most intriguing scene was that of Burns, pipe clenched in teeth, lips barely moving, leaning forward and wagging a finger slowly at de Larosiere. Unfortunately it was impossible to hear what he said.

The only post-ceremonial blot on the occasion was provided by the Washington Post. It was the sole newspaper to send a reporter up to cover the nuptials and this week it dutifully ran a long story under a

large picture, purportedly of the bride and groom. Unfortunately, the photograph was of the bride and William Simon. The Post has now apologised, somewhat grudgingly. The newspaper, after all, has never liked all those Republicans.

New front

We have long been hearing of the Japanese "dumping" goods at prices which cannot be matched by British manufacturers. But now they are dumping dollars too—or so Western bankers are beginning to complain.

The complaints come from those in the international capital markets who have been beaten to the punch by the Japanese in several important loans, including Britain's own recent £500m borrowing by the Electricity Council.

Such is the pace of this lending that the Japanese Finance Ministry is now officially warning Japanese banks against their "cut-rate" medium and long-term dollar loans.

The rates are between 0.5 and 0.625 per cent over London interbank offered rates. Tokyo seems sensitive to such points with Japanese officials admitting that the loans are being dubbed as *hankiri* and *banzai* operations. Surely one means suicide and the other is a battle cry? I asked one Japanese banker. "Oh *banzai* is used for many things," he replied. "For instance, it means attack or surrender." Baffled, I decided to retreat.

Pulled up short

A Kensington landlord tells me that when he wrote to one of his tenants giving him a month's notice he received the most courteous of brief replies: "Dear Sir," it read, "I remain, Yours faithfully, . . ."

Observer

The real news about sterling and the EMS

SO MUCH attention has been focussed on the harmful irrelevance of pay policies and on the nuances of Government-TUC Brussels—to force a change of relations that the far more important consequences for sterling and the economy of the highly probable British membership of a European Monetary System (EMS) are not receiving the attention that they deserve.

To be specific, the German and French Governments are utterly determined to go ahead with the Bremen scheme for linking exchange rates "at least as strictly" as under the existing "snake" of Germany, Benelux, Denmark and Norway, which operate a 2½ per cent band on either side of a central rate. The commitment of the French President, M. Valéry Giscard d'Estaing, is said to be so great that he would rather see the UK left outside than let the deadline of next January slip away.

Although the British Cabinet has never discussed the project, the determination of Mr. Callaghan and other senior Ministers to make the scheme succeed is much greater than has so far been realised. Moreover Italy and Ireland are now inclined to join irrespective of what the UK does. Thus the main question is whether the EMS will have eight or nine members when it starts in 1979. Enthusiasts for membership on the British side can now make the quite legitimate debating point that the UK as a lone peripheral non-joiner would have precious little influence on matters such as the Common Agricultural Policy and the Budget.

Indeed I would give odds of between 2 and 3 to 1 in favour of the UK joining. It would take a major calamity on the

industrial front at home—rather than any foreseeable negotiating difficulties here in Brussels—to force a change of relations that the far more important consequences for sterling and the economy of the highly probable British membership of a European Monetary System (EMS) are not receiving the attention that they deserve.

This immediately raises the question of the exchange rate at which the UK and other non-members of the existing snake would join. If the EMS is not to be utterly discredited, parties which the national authorities believe can be held for longer than three or six months will have to be chosen. There has for some time been an excellent argument on purely domestic anti-inflationary grounds for running a sufficiently tight British monetary policy to maintain sterling in the EMS. The present exchange rate without official intervention. Something of the same thinking must have lain behind Mr. Callaghan's offer to pay normal enough, but those what was foreseen by the wrong weapon and he would have done better to have been much more overt about his monetary and exchange rate objectives and to have made them into the de facto incomes policy.

But—rightly or wrongly—senior Ministers have thought that the best hope of taking the UK into the EMS without upheaval in the Labour movement has been to play down the issue, and above all to avoid suggesting that pay restraint is linked with underestimating made in far away foreign cities such as Bremen or Brussels. Meanwhile Whitehall has already been worried by the moderate decline in Britain's international cost-competitiveness so far in 1978. Faced with a combination of very heavy weather on the pay policy front and the need to fix an exchange

rate early in 1979 to last for some time, the British authorities must be wondering whether the existing market rate for sterling is the right one at which to join the EMS. The foreign exchange markets are hardly likely to wait while the authorities in Britain or any other country deliberate. Indeed they are likely to do the work of the authorities by bringing about the depreciation of the more vulnerable currencies required by the official economic models. The weakening of the French franc in the last few days may be a fore-taste of things to come.

Small snake

A "face-saving" solution sometimes mentioned in Brussels would be for the Germans to revalue within the existing small snake. This is something that the Belgian authorities who are feeling the strain of living with the mark would love to see happen. But even if the Germans were to oblige partially, I doubt if this would be the end of the matter. In fixing the EMS parity the British authorities will be indirectly determining an exchange rate against the rest of the world and will be very concerned to get it right.

It may seem paradoxical that a scheme designed to promote monetary stability should be likely to lead to a lower sterling exchange rate and thus to a higher inflation rate, at least in the phase of introduction. But having gone so far along this road, any last-minute decisions to stay outside the EMS would probably be interpreted as a sign not of independence, but of political or industrial weakness and thus weaken sterling even more than the adjustment required before entering.

UNFORTUNATELY everything I have heard in Brussels about the details of the discussions reinforces my fear that governments are fundamentally mistaken in their approach to the monetary scheme—just as they were in the unsuccessful earlier attempts. The UK left an earlier snake arrangement in 1972 after a mere few months of membership and France did so after a longer interval on two separate occasions. As Mr. Callaghan has shown in another context it is never too late to change course.

The frightening feature of present discussions is that governments are embarking on another exchange rate union without any real understanding of what national economic policies are going to be adopted to enable the union to survive. The basic rules of the new system are those of the old abortive IMF plans for a fixed, but adjustable "exchange rate". The plan for a new European Monetary Fund (EMF) of \$200bn to \$300bn, which will absorb existing credit facilities, does not alter its basic nature.

In earlier articles I have tried to explain why the supposed compromise is worse than either extreme of seemingly floating or genuinely fixed rates and is indeed likely to break down between major trading currencies. But even those who believe that a compromise could be made to work technically are the first to insist that the whole EMS idea will be utterly discredited if frequent changes have to be made in the agreed "central rates".

If there is to be even a gradual approach to monetary union internal policies would have to be adjusted to reduce the need for parity changes. Just how difficult this will be is illustrated by the table prepared by two London Business School economists to show what would be required on the basis of past experience to stabilise world exchange rates. It also illustrates EEC problems. For instance, if sterling is to hold its parity with the Deutsche Mark the British inflation rate would have to be 2 per cent less than the German one and money supply growth more than 7 per cent less.

known as the ECU. Talks now centre on the interpretation of a Belgian compromise under which movements against the basket will act as a pointer to deviant currencies which are straining the system.

At the same time "concurrent studies" are being undertaken to promote a better "transfer of resources" within the EEC. This last expression has caused confusion. The main British interest is in correcting the perverse workings of the Common Agricultural Policy and the Community Budget, under which the UK is estimated to be paying in during 1978 some

£600m more than it is receiving. But as Mr. Healey recognised at an early stage, such structural questions are largely distinct from the monetary side. Even if the whole of this budgetary deficit could be magically removed overnight, incompatible economic policies in member countries could still lead to currency stresses and payment crises.

The British side is very well aware that worthwhile changes in the Budget and the CAP cannot possibly be negotiated in the next few weeks. If some statement of principle can be made at the EEC summit on December 4-5 and £100m or £200m a year extra can be made

available to support British regional policies, as is highly likely, there should be few obstacles on this front to Britain entering the EMS.

Mr. Healey has stressed the technical question of baskets versus grids because he has been led to believe that the former lead to a more symmetrical distribution of adjustment burdens between debtor and creditor countries. He may have been wrong to place so much emphasis on a particular mechanism, which was already heavily criticised during the abortive IMF attempt to fix exchange rates

unable to find a way of putting the monetary targets of different members on a comparable basis.

This would not matter if, for example, Germany were to set counter-inflation targets and other countries adjusted their internal policies by trial and error to maintain their parities with the D-mark. But Governments, with the possible exception of the French, are clearly not ready to do this.

The political initiative of the head of governments has been based far too much on reaction to the weakness of the dollar which was not entirely thought through. It has also been based on a misconceived notion that the rise in world unemployment has been due to floating rates. It is misconceived because it overstates the role of monetary uncertainty and underplays real causes such as badly working labour markets and reluctance to adjust to new world trade patterns. It also vastly exaggerates the role of floating rates in generating monetary uncertainty itself.

Exchange rates are merely a transmission for erratic, unpredictable and inflationary monetary policies originating at home. To attempt a cure at the exchange rate end is the usual mistake of trying to suppress symptoms. Even at this late hour, a shift of priorities towards harmonising underlying economic policies around a low inflation goal and waiting for exchange rates to come together in the market place, could still be made. If not, the errors of the past are likely to repeat themselves again and again, and again and again.

Samuel Brittan

REQUIREMENTS FOR FIXED EXCHANGE RATES

Money supply growth relative to "world" average	Inflation rate relative to "world" average
(% annual rate)	(% annual rate)
United States	-5.6
Japan	-8.2
France	0.6
West Germany	3.1
Italy	0.6
U.K.	-4.3

Sources: Monetary Targets and The World Economy, by Alan Budd and Terry Burns (London Business School, Sussex Place, Regents Park, London, NW1).

The outlook for roads

From the Chairman, Watford Road Safety Advisory Committee.
Sir—I read with interest your report of the Financial Times Conference on International Transport (October 3). I feel, however, that some reply is necessary to Professor Forster's comments that change from 38 tonnes to 44 tonnes maximum ferry weight would give savings of between 4 and 7 per cent.

Not knowing the basis upon which he arrived at his conclusions I cannot dispute them but I am extremely conscious of, and concerned about, the effect on British roads the result of Professor Forster's view was accepted.

With the present cut-back on local authority highway expenditure, both on new schemes and, far more importantly, on maintenance work, a situation likely to continue for the foreseeable future, Professor Forster's proposals would mean further serious damage to Britain's roads without the consequent repair funds being available and can only result in deteriorating highway standards.

Any savings on fuel costs would look insignificant when compared to the high costs (both direct and indirect) of repairs and personal injuries sustained as a result of the larger lorries damaging our roads. This is why organisations with an interest in promoting road safety view with concern any proposal to increase lorry weights.

Councillor B. S. Walker, St. Albans City Council, Watford, Herts.

Trade with Turkey

From the Chairman, Textile Industry Support Campaign.
Sir—D. J. Walsom (September 28) complained of threatened trade sanctions by Turkey as a result of a restriction that the EEC has recently placed on imports of Turkish cotton yarn to the United Kingdom.

Mr. Walsom should know that Turkey had entered into an arrangement that she would limit her exports of yarn to us at a certain level. It was only after this level had been exceeded by 50 per cent that the restriction was made.

Ideological arguments for and against free trade have been aired but the fact is that the UK has one of the most liberal trade policies in the world and we should not be condemned when we stand up for the sanctity of contracts. Mr. Walsom should consider this as indicative of the hazard of trading with Turkey and beware!

Mr. Walsom, 115, Windsor Road, Oldham, Lancs.

Small businesses and banks

From Mr. N. Corby.
Sir—Mr. Bryson (September 28) suggests that small businesses with between 100 and 200 employees will have sufficient financial expertise to put their case to their bank satisfactorily and therefore do not need any assistance. Those with less than that number can be ignored also because they could be a bad risk.

If there are good generalisations then why did Barclays Bank create its Business Advisory Service which in its five years of life has advised well over 5,000 companies ranging from those employing only three people to those with over 1,900? Why then did Lloyds Bank follow suit last year? Let it be stressed that both these banks actually put their people into their customers' businesses—without charge—to carry out a financial survey.

Why then did the European Financial Marketing Association hold a conference on the future of banking for small businesses at which Sir Harold Wilson placed great emphasis on the part the branch manager had to play in servicing the small employer and gave delegates the distinct impression that his committee might well recommend some form of credit guarantee system when it makes its report.

In his introduction to "Money for Business" the Governor of the Bank of England said "that to do so, and to system has contributed to the enviable strength of the German economy. No doubt we could learn from their recent difficulties and avoid the mistakes that led to them. Mr. Price suggests that I was implying that the level of state scheme benefits is restricted in order to enable funded occupational schemes to provide similar benefits. This was not my purpose, although I have little doubt that the design of the new state scheme was greatly influenced by those who manage and promote

Letters to the Editor

have run a small business as was recounted in the letter from Mr. Raymond Hinchell (September 18).

This is a problem of communication which is why any form of specialised training is to be welcomed. In no way can the clearing banks provide financial assistance willingly as it is their role to lend deposits to money wisely. A banker who says to all the time may never make mistakes but that does not mean that he is a successful banker.

Mr. Bryson asks who is providing this finance? I do not know but on the day you published his letter, about a quarter of the advertisements in your "Business Opportunities" page were inviting applications from businesses to seek financial help and three of those were from banks.

It is clear that the role of the bank manager as a financial adviser to his customers is growing in importance. Therefore he has to have the experience to recognise the real problems as well as a specialised department behind him.

With all that support he might be able to actually meet his customers more often.

N. D. B. Corby, 27 Old Bond Street, W.1.

The bliss of cold sheets

From Doris Montagu.
Sir—What the well-dressed bed is wearing, the FT's main article in "How To Spend It" of September 26, was informative and pretty practical.

Let us not, however, confuse the bondage of financial and domestic expediency with an inability to accept fundamental truths. Can anything really compare with the bliss of climbing into bed between fresh linen sheets (preferably white, possibly peach-coloured) with—in winter—a plain woolen blanket beneath and one or two merino wool blankets on top.

A neatly rolled eiderdown at the foot of the bed, ready to be pulled up if required, and goose-down filled pillows in fine linen pillow cases with perhaps a hint of embroidery (love knots, or intertwined initials) could complete the dressing, all of course, peacefully.

Doris J. Montagu, 2, Trippon Road, SW5.

Future of the British boom

From Mr. A. Cockell.
Sir—It was pleasant to read an optimistic assessment of this country's short-term prospects for a change, in Samuel Brittan's article (September 28) on the current boomlet. While, however, acknowledging the effect of the exchange rate on inflation, and on UK wholesale prices, import penetration here is not yet such as to prevent UK manufacturers from passing on the bulk of their increases in labour costs to the home market at least. In the past UK exports have also found their prices getting uncompetitive regularly enough to force upon us frequent devaluations. Therefore, excessive wages and salary increases can occur this winter and the resulting inflation render our exports uncompetitive again, affecting the exchange rate as on previous occasions.

The only reason why we were saved from this vicious circle last time round was because the flow of North Sea oil coincided with IMF restrictions and because of the educational effect of these upon the Ministers responsible for our economic policy. It was almost permissible to hope that trade unions in co-operating

bottoms-down, when the whistling noise of the wind blowing over the tops of the bottles would divert the moles to one's neighbour's garden and I proved this to work quite splendidly.

These, however, are defensive methods only, and bottles, whether planted bottoms-up or down, do create certain hazards when grass-cutting. I am quite happy to tolerate any Soviet moles so long as they occupy the rough areas only, but when they extend their lines of communication in the direction of the lawns, I find that attack is the best policy, by means of a charge of No. 7 shot into the mole hole when the enemy is working. Just one is effective, but also probably more humane than using mole-traps.

John Cowley, The Old Post Office, Nuthurst, Horsham, Sussex.

Losing on points

From Mr. W. Riley.
Sir—I am sure the introduction of decimal currency has brought untold advantages but I was amused to read (Page 23, October 3) that "the 1p dividend will be paid along with the 0.06832p additional payment" and that last year "4,539,611 dividend was paid." Whatever happened to the nearest four decimal place or, rounding up/down?

Good heavens, if they had rounded up that 0.06832p to 0.07 the holder of 1,000 shares would have been overpaid 12.18p, and on every two shares it would have cost the company £12.18, and think what that would do to the general reserve.

Are we that frightened of the 10 per cent limit? What did I do? I had to be declared to obtain the highest number of decimal points? Is there a limit?

W. A. Riley, 57, Herts Lane, Welwyn Garden City, Herts.

Pitifully low productivity

From Mr. K. MacIntyre.
Sir—Does unemployment have to reach the level of 12.5 per cent and become out of control before trade unions realise that pushing up wages without a corresponding increase in productivity is suicidal for them and for the nation?

The government has brought the rate of inflation down and is striving valiantly to keep it there, but its attempt will fail if unions' policy of free collective bargaining for wages prevails. The result: a wages jungle devoid of social justice.

At the end of 1977 our national productivity was below the level of the three-day week in 1974! Pitifully low productivity. Inflation was on costs, unemployment resulting, then a rapid fall in the sterling exchange rate are all the ingredients required for calamitous inflation.

Living standards have vastly improved for most workers, and far beyond the dreams of those who remember or experienced the poverty and deprivation of the 1920s and 1930s. But that is not to say that poverty has been vanquished or is in retreat for many old-age pensioners, people on small fixed incomes and those below the poverty line.

If irresponsible wage claims succeed then galloping inflation follows as sure as night follows day and more and more our decent citizens will fall below the minimum subsistence level Kenneth MacIntyre, 51 Northampton Avenue, Keltnesside, Glasgow.

Bottoms up

From Major-General J. Conley.
Sir—In his gardening article (September 2) Robin Lane Fox discussed the military method of keeping moles at bay from one's lawn by planting empty soda or tonic bottles bottoms-up at the approach of the enemy. I was diverted by the echo of this.

This is quite the opposite to what I was advised when stationed in BAOR in 1943 by a prominent German land-owner when I told him I was plagued with moles. He advised the planting of empty bottles,

Today's Events

GENERAL
Labour Party conference continues, Blackpool.
Mr. Alfred Atherton, U.S. roving ambassador, arrives in Brussels on European tour to explain Camp David settlement.
Five Western ambassadors meet South African Government in Pretoria to discuss Namibia problem.
Two Greek ministers open talks with Common Market Commission in Brussels on agricultural obstacles to Greece's membership.
Vauxhall pay talks resume at Rugby, Staffs.
Sir Peter Vaneek, Lord Mayor of London, visits Amsterdam.
Crown Agents Tribunal continues, St. James's.
Chinese Vice-Minister for Metallurgical Industries starts two-week visit to Australia.

OFFICIAL STATISTICS

Department of the Environment publishes figures for housing starts and completions in August.
U.S. September figures for wholesale prices.
COMPANY RESULTS
Final dividends: Bejam Group, EMI, S. Lyle, Roman Textiles, Sanderson Murray and Elder (Holdings), Interim Dividend: Clive Discount Holdings, Ennays, Sears Holdings, Varne Wright and Rowland, George Wills and Sons (Holdings), Wolstenholme Bronze Powders.

COMPANY MEETINGS
Best and May, Walsford Hotel, WC, 12.30. Wm. Cook (Sheffield), Parkway Street Foundry, Park-

way Avenue, Sheffield, 12. Crouch, Assembly Rooms, Maple Road, Surbiton, Surrey, 12. Dixons Photographic, Connaught Rooms, Great Queen Street, 12. Illingworth Morris, Victoria Road, Salford, Shipley, W. Yorks, 12. J. Hunt, 220, Vauxhall Bridge Road, SW 11. H. Jones Stroud, Albany Hotel, Nottingham, 12. London Merchant Securities, Winchester House, Hall 3/S, 100, Old Broad Street, EC, 12. Malaysia Rubber, 1-4, Great Tower Street, EC, 12. Melody Mills, Grand Hotel, Leicester, 11. Owen and Robinson, Registered Office, 3, Abchurch Lane, London, EC, 12. Reliance Knives, Ryburn Hill, Hanson Street, Halifax, 12. Steinberg, Grosvenor House, Port Lane, W, 12. Watson Industries, Midlands Hotel, Birmingham, 11.

DON'T WASTE YOUR TIME IN SOUTH AMERICA.

It's a reasonable assumption that any businessman planning a trip to South America would rather spend his time doing business than sitting about in airports.

But if your itinerary involves travel to a few major South American cities that is exactly what you could end up doing.

Fly Aerolineas Argentinas, after all we know the interior of South America better than anyone else.

We fly 747s and 707s direct to Rio and Buenos Aires with connecting flights to 46 other South American cities.

We have up-to-the-minute information on flights, times and connections. And you can book everything here in England.

So, next time you're flying to South America fly Aerolineas ARGENTINAS



Higgs & Hill sees fall to around £2.5m

expected to mirror those of the first half which should give \$2.5m pre-tax compared with \$15m. The group is ceasing its operations in the Middle East, an area which it says caused much frustration. But it does have a \$55m four-year contract—just started—on the Calorn Plaza, which has yet to contribute to profits. At 75p (down 6p) the shares stand on a prospective p/e of 4.8 to yield 7.4%, a rating which fully discounts the group's trading problems.

Gripperrods sales increase

For the year ended January 31, 1978, pre-tax profits amounted to £1.76m. In the previous year, profits were £934,000 including £207,000 from the industrial division.

At September 22, Heather Investments held 36.4 per cent of

Copies of the Annual Report may be obtained from The Secretary, Jones, Stroud (Holdings) Limited, Vida Mills, New Street, Long Eaton, Nottingham, NG10 1HF.

F. Copson, Chairman

Mr. Boardman welcomed Mr. G. S. Ruiz, the new chairman of the company, to the Board, with his colleague Mr. N. Musry, together with Mr. H. Hellawell, who is to be managing director, and Mr. B. Tomlinson and Mr. R. Stacey. Their combined knowledge and experience of the textile industry will enable the group to look to the future with every confidence, he declared.

MEAL TICKET

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MINING NEWS

The R73m shaft at Vaal Reefs

BY KENNETH MARSTON, MINING EDITOR

SHAFTS at South Africa's deep level gold mines must rank among the wonders of the mining world, if only in terms of cost. The new No. 9 shaft at the Vaal Reefs gold-uranium complex will require some R73m (\$32.5m) before allowing for any likely escalation by the time it is commissioned in 1983.

Speaking at the ceremonial first blast to mark the start of shaft-sinking operations Mr. Dennis Etheredge, chairman of the Anglo American Corporation's gold division, pointed out that the new shaft is the eighth to be sunk by the group in the 1970s. "Many of these are a direct result of the increase in the gold price which began in late 1971, but all represent our great confidence in gold."

The huge new shaft, which is about the same size of the No. 3 shaft being put down at Free State Geduld, will go down to 2,304 metres (1,431 miles) to become the largest single lift shaft in the world. It will contain eight hoisting compartments within its 10.6 metres diameter. Its surface installations include a refrigeration plant to cool water and air for use underground and a hostel for 6,000 black employees. Married quarters at other shafts are being increased and will also serve the new shaft.

After commissioning, the shaft will build up to a capacity of 180,000 tonnes of ore per month which can be increased in due course by a further 100,000 tonnes. This is all part of Vaal Reefs' major expansion programme from its present treatment capacity of 600,000 tonnes per month.

The mine's uranium plant, which treats some 405,000 tonnes of slimes a month, should have an expanded capacity by the second half of 1979 at a cost in excess of R50m. Vaal Reefs is spending an average of R20m a month on working costs plus more than R7m a month on capital projects—a total of almost R27m a day.

Capital spending for the current year is estimated at R72m, of which R47m will go towards the uranium expansion. The high level of spending will continue next year but will fall off from 1980 onwards. Despite this, Vaal Reefs was able to boost its recent interim to 100 cents from 85 cents a year ago when there was a final of 80 cents.

Also doing well is Southvaal Holdings which draws a royalty of 55 per cent on working profits made from the south lease of the Vaal Reefs complex. Southvaal's uranium profits should increase considerably when the new uranium plant is commissioned in the third quarter of next year as part of the major expansion of Vaal Reefs uranium treatment capacity.

In London yesterday, Vaal Reefs rose 4 to 215 and Southvaal were up 4 to 573p in a generally buoyant sharemarket following a fresh advance in the bullion price to a record £232 1/2 per ounce.

BISICHI TO BUY OFFICE BLOCK
AGREEMENT HAS been reached

We announce the following partnership changes effective

October 1, 1978

JOHN H. GUTFREUND

has been appointed
Managing Partner

WILLIAM R. SALOMON

has become a Limited Partner
and honorary member of the
Executive Committee

L. EUGENE CROWLEY

PETER M. GOTTSEGEN

GEORGE P. HUTCHINSON
Hong Kong

THOMAS J. MARRON

LEWIS S. RANIERI

STANLEY B. SHOPKORN

CRAIG B. STEARNS

have been admitted as
General Partners

MARIETTA TREE

has been admitted as a
Limited Partner

NORMAN J. LEVY

JAMES J. McKAY

have been appointed
Special Partners

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BIDS AND DEALS

ICI acquires 29% of Ellis & Everard

BY ANDREW TAYLOR

Unilever has sold the major part of its 31 per cent stake in Ellis & Everard—acquired during an abortive takeover bid in 1973—to ICI in a £2.2m cash deal.

ICI, which has bought a 29 per cent holding in the chemical distributor, said last night that it does not intend to use the stake as a springboard for an outright bid.

The ICI stake is to replace a 20 per cent holding in Everard's chemicals subsidiary which ICI is selling back to the parent group for £1.4m. This is double the price ICI paid to acquire the holding in 1974—when Everard was short of cash. The deal however is on virtually the same earnings multiple at which ICI acquired the stake.

These latest share deals were sparked off by Everard's decision to sell its troubled builders' merchants division to Travis and Arnold for £2.6m.

Unilever's bid five years ago was prompted by its interest in the builders' merchants side—but it has decided to sell its holdings following the decision to sell this business. Unilever, which paid around £3.2m for the stake, has made a £1m loss on the deal.

Everard concentrates on supplying chemicals in small quantities to a wide range of industries—a type of business that majors like ICI find uneconomic.

ICI is Everard's largest supplier providing around 32 per cent of the group's chemical requirements. Mr. David Wells, an Everard director and company secretary, said yesterday that he did not expect ICI would take any larger share of the group's business as a result of the latest deal.

An ICI spokesman said that if the group had bought any more than 29 per cent it would have triggered a full bid under City takeover rules—this ICI did not want to do.

Last year chemicals generated trading profits of £900,000 while building profits had slipped to £75,000. This compares with the heavy days of the building boom in 1973 when this side of Everard's business contributed 78 per cent of profits.

TRIDANT ADVICE
In the face of a higher offer from Argus Press the directors of Trident Group Printers are now advising shareholders to "take no action" on the takeover bid from Starwest Investments, which is owned by Mr. Ramo Dipre.

The Trident directors had been recommending shareholders to accept the Starwest terms which values the company at £3.5m but this was before Argus—a wholly-owned subsidiary of British Electric Traction—came forward with its bid valuing Trident at £4.5m.

Meanwhile there has been no reply from Starwest to the higher bid, which started its campaign with a 29 per cent stake in Trident.

BJN PREFERENCE
Hochschild UK, which owns all the ordinary capital of Berger Jealous and Nicholson, is making an agreed offer for the 998,554 7 per cent cumulative preference shares at 81p each.

Ahead of today's annual meeting of Dixons Photographic, on page 32 the Financial Times examines the group's prospects for renewed expansion. Growth last year was held back by disappointing results from the Westons acquisitions. This setback helped knock the share price from an all-time peak of 176p in January, to a 1978 low of 124p earlier this week.

Redland U.S. acquisition will cost \$26m

Redland has agreed to buy Automated Building Components of Miami, Florida, in the U.S. for about \$25.5m.

The agreement in principle was announced in June but now firm contracts have been exchanged and the deal will become effective on January 3.

The agreement is subject to approval of ABC shareholders and various governmental consents. ABC manufactures fasteners for roof and floor trusses.

BMCT PROFITS FROM WESTON EVANS STAKE

Birmingham and Midland Counties Trust, the private company at the centre of the tussle over Johnson and Firth Brown's bid for Weston Evans, has apparently made a gross profit of £1,530m out of the 42 per cent stake it recently built up in Weston Evans.

Yesterday, as promised, BMCT sold through the market the 2.63m JFB shares it received as part of the final offer parcel. The shares were placed with institutions and stockbrokers Hamilton and Simpson at a price thought to be around 68p.

In addition BMCT received £17 in cash for every 20 of its 2.33m Weston Evans shares. Together with yesterday's sale, this represents a total figure of £3.8m.

BMCT acquired the bulk of its Weston Evans stake in two major transactions: 1.62m shares at 100p purchased from Barrow Hepburn, and a further 699,000 at around 100p. The total purchase cost was of the order of £2.67m.

GARNAR BIDS £0.34M FOR A. T. KINSWOOD
Garnar Scotland is making an agreed £340,000 bid in cash and shares for A. T. Kinswood and Co., a public unquoted company manufacturing and dealing in exotic leathers. This would make it Garnar's third acquisition in three months.

The deal will increase the range of specialised light leather goods which Garnar offers, making the marketing and distribution more effective, said Sir Kenneth Newton, chairman and chief executive of Garnar Scotland, yesterday.

Garnar announced an offer for Leicestershire Butchers' Hide Skin and Fat Company and bought Thomas Dunlop and Sons (Kilmarnock), a tannery business, in July.

Shareholders of a majority of the equity of Kinswood have already agreed to accept Garnar's offer. The consideration is 237,500 Garnar shares, which closed up 2 1/2 at 104p yesterday, and £72,500 cash. The net tangible assets of Kinswood at December 12, 1977 amounted to £292,542 and pre-tax profits for the year to that date were £97,233.

EPICURE SETS RESTAURANT
The sale has been completed by Epicure Holdings of A L'Esu de France, owners of the restaurant of the same name in Jermyn Street, London.

The purchaser is Villalodge, a private company incorporated in England and maximum consideration is £336,828 cash, of which £406,029 has already been paid.

The balance will be paid when the exact value of the stock, including food and wines, at the date of completion has been calculated.

Villalodge will be managed by Sommer Hotel Company, which has restaurant interests in Bermuda and the U.S. and has management contracts with international hotels.

Book value of the assets of A L'Esu de France is £129,128 and the disposal will give rise to a capital profit of £207,700 before capital gains tax. In the year ended June 30, 1978 audited profits before tax attributable to the assets which are the subject of the sale were some £10,000.

The sale proceeds will be applied in reducing the Epicure bank borrowings, thereby strengthening the balance sheet. Villalodge has undertaken to make offers of employment to all existing employees of the restaurant.

Mr. R. Calzadilla, who will remain managing director of Epicure, will be retained by Villalodge as a consultant.

Directors of Epicure and advisers, Grindlay Brindley, consider the transaction to be in the best interests of Epicure and its shareholders. Circulars setting out full information will be posted to shareholders in the near future.

NORTHERN FOODS BUYS 9.7% OF GOLDBREI

Northern Foods, which is making an agreed bid for Ch. Goldbrei Food and Sea, has purchased a 9.7 per cent stake in the company.

Northern already has irrevocable undertakings from the Goldbrei Board and family which amount to 24 per cent of the equity, so yesterday's purchase gives it effective control of 44 per cent of the shares.

The vendor has not yet been revealed but the only other large shareholder apart from the family is MacCormac Products which was known to have a 3.24 per cent stake.

MIDLAND EDUCATIONAL

The directors of Midland Educational have forecast a 10 per cent dividend increase as part of the defence against a £2.2m bid from Pentos. In its defence document ME says that it intends to recommend dividends totalling 5p net in the current year—compared with the 4.7p paid last year.

ME also says that the bid undervalues the company's assets and does not take into account ME's profits record. The shares rose 7p to 185p yesterday.

TILLING/SASLOW

D. L. Saslow Co. Inc. has entered into agreement with Thomas Tilling, under which Tilling will acquire Saslow for \$18m cash or \$12.25 per share.

The transaction is subject to approval by Saslow shareholders and necessary regulatory approvals and consents.

WAGON INDUSTRIAL

Because of an agency error, yesterday's story on Wagon Industrial Holdings buying Cotswold Coach Craft stated that the total consideration was £500,000. In fact the price was £400,000.

MINING BRIEFS

BISICHI-JANTAR (NIGERIA)—Annual output (tonnes), tin: 23,344, columbite 19,722. Share price to date: tin, 245.50, columbite 335.40. Same period last year: tin, 20,111, columbite 254.40.

Gold—Best Mines—Output of concentrates (73 per cent grade) for August: tin, 54 tonnes, columbite, 1 tonnes. Same months to August: tin, 139 tonnes, columbite 3 tonnes. Same period last year: tin, 213 tonnes, columbite 5 tonnes.

Outgoing tin—September output: 121 tonnes (August, 121 tonnes)

Dollar Land plan to settle out of court

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

SHAREHOLDERS OF Dollar Land Holdings have been locked into an unquoted company embroiled in increasingly tangled transatlantic litigation for more than a decade. Today the Board published details of a proposed settlement that would end the legal battles.

The complex scheme would also leave a cash rich business, with no British properties, one-income producing Canadian property, a United States subsidiary with mortgage income, and overall a company with net assets per share of 84p and a commitment to seek an early revaluation of the shares on the Stock Market.

In a letter to shareholders posted last night Mr. Hugh Brackett, the chairman, explains the proposed settlement. In essence, the proposals mean that Dollar Land's main legal opponent, the Atlas group of shareholders—who control just over a quarter of the company's shares—would drop the legal actions claiming a total of U.S.\$3.9m (£2m). In return, Dollar Land would settle all claims by paying Atlas a net U.S.\$900,000 (£433,000). This payment would be a purely paper transaction involving the transfer of ownership to Atlas of a 25 per cent share of the company's U.S. mortgage income.

These proposals, amplified and extended to cover and to settle the morass of legal entanglement spawned over the past 10 years, has been agreed by Dollar Land's directors and by the trustees of the Atlas shareholders.

Although this agreement would be sufficient to complete the settlement formally, Mr. Brackett, like earlier chairmen, has in the past given his word to take any proposed settlement to Dollar Land's shareholders for their opinion. To fulfil that promise the Board is adding the proposals to the agenda of the company's annual meeting on October 27, and the settlement agreement will be put to a vote of shareholders.

In his letter to shareholders Mr. Brackett, who has been the company's chairman since 1974, advised by Samuel Montagu's Mr. American tax losses, its Canadian and U.S. assets and its British residence have not first made it very firm language. He writes that the settlement "would, in your Board's opinion, be a highly satisfactory outcome, and your Board thus unanimously recom-

mends shareholders to vote in favour of the settlement proposals should the AGM, which had already begun to look like being a fairly dramatic occasion because of warnings that directors' re-elections are to be opposed.

Mr. W. Barrett, a holder of 600 Dollar Land shares, has been told the Board of his intention to call for the dismissal of the directors. About Mr. Barrett combines comment on this move, and on the settlement proposals, in his letter.

He writes that: "I do not propose... to indulge in any form of comment that might be construed as self-justification. All I say is this. I have worked for a long time towards a settlement of the outstanding litigation, and especially with the Atlas group and such a settlement is now before shareholders. If, however, they decide that it is not in the interests of the company and the resolution is defeated I shall thereupon resign from the Board."

A pro-forma consolidated balance sheet drawn up to reflect the settlement shows the group with clear net tangible assets of £3.52m, or 84p a share. This compares with recent informal trading in the shares at around 20p.

Even after the Atlas proposals the group is still involved in a number of minor legal wrangles over rents and a number of past property sales. But these are relatively insignificant set against the Atlas claims, and the chairman is hopeful that the settlement will bring in around U.S.\$250,000 (£130,000) in the next few months.

He comments that the Atlas settlement "would remove the major difficulty as regards the Board's ambition for a relisting of the company's shares."

If the settlement is agreed on October 27, and the remaining litigation settled on schedule, Mr. Brackett would be able to apply for a relisting of the shares by next summer. That assumes that the company's accumulated losses, its Canadian and U.S. assets and its British residence have not first made it very firm language. He writes that the settlement "would, in your Board's opinion, be a highly satisfactory outcome, and your Board thus unanimously recom-

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The Korea First Bank wish to announce the opening of their London Branch today Thursday October 5th at Bush Lane House, 80 Cannon Street, London EC4N 6HH. Telephone: 01-626 9264 Telex: 889350



KOREA FIRST BANK

제 일 은행

London Merchant Securities Limited

Salient Points from Chairman's Review for the year ended 31st March 1978

- * Net profit attributable to LMS after tax rose from £2.6 million to £4.3 million. Net rental income rose to £2.8 million and is expected to increase progressively.
- * Net tangible assets attributable to LMS increased to £59.3 million when adjusted for the sale in July 1978 of 52% of shares in Carlton Industries. Market value of remaining investments is significantly greater than balance sheet figures.
- * Demand for good quality investment property continues and the current value of investment property portfolio attributable to LMS is considered conservatively to be some £20 million greater than corresponding book value.
- * Short-term borrowings and overdrafts were virtually eliminated on the sale of the Carlton shares.
- * The exceptional degree of liquidity and asset strength reinforces prospects for continued growth.
- * The directors recommend a final dividend of 4.6696% bringing the total for year to 6.6696% (5% last year) and a 1 for 1 free scrip issue.

Report and accounts available from the Secretary, 100 George Street, London, W1H 6DJ.

BREMAR HOLDINGS LIMITED

EXTRACTS FROM
CONSOLIDATED REPORT AND ACCOUNTS
YEAR ENDED 31st MARCH 1978

	1978	1977	Increase
Operating profit before tax and exceptional items	£1,378,978	£835,952	65%
Shareholders' funds	£5,672,488	£5,184,714	10%

Highlights from the Statement of the Chairman, Erwin Brecher:

- * "an investment in the Company of £10,000 at par in 1970 would today after only eight years, have an attributable net asset value of £160,000."
- * Substantially increased domestic banking activities.
- * New range of corporate finance and advisory services to small businesses.
- * Marked growth of overseas insurance business.
- * Encouraging start to the new trading year. Several important projects are in hand and prospects for the current year are very promising.
- * Copies of the 1978 Report and Accounts from the Secretary, Breemar Holdings Limited, Breemar House, London W2 1PT. Telephone 01-262 5000, Telex 21969.

BREMAR TRUST LIMITED

EXTRACTS FROM REPORT AND ACCOUNTS
PERIOD ENDED 31st MARCH 1978

	1978	1977	Increase
Consolidated net revenue	£37,589	£11,974	+190%
Earnings per share	2.11p	0.68p	210%
Dividends declared for the period per share	1.50p	0.50p	200%
Net asset value per share	28.30p	25.02p	13%

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Canadian disposal to boost Ashland Oil

BY OUR FINANCIAL STAFF

ASHLAND OIL has revealed that per share earnings for the year ended on September 30 will exceed \$9 per share compared with \$8.60 a year ago.

Earnings will be above the \$5 level before giving effect to the gain on the sale of Ashland's 80 per cent owned Canadian subsidiary, Ashland Oil Canada, and before a loss from a possible sale of a large crude carrier. Ashland has also made a reserve against its investment in oil shale.

The company has indicated that the sale of the subsidiary will represent a gain of about \$4 per share. Should the carrier deal be concluded and written into the results for fiscal 1978, it would reduce the net gain per share by about 60 cents.

The oil shale reserve, on the other hand, would have an after-tax effect of \$8.9m and result in a reduction of about 30 cents in the net gain.

The 30 per cent stake in Ashland subsidiary Canada was purchased by Kaiser Resources at a total cost of \$368m.

Kaiser and Ashland indicated in July that the transaction—at a price of \$33.50 per share—had been approved by their respective boards.

The sale was approved last week under the Canadian Foreign Investment Review Act.

Kaiser intends to make a cash offer of \$33.50 per share for the outstanding Ashland Canada shares in mid-November after the redemption of Ashland Canada's 5 per cent convertible sub-

ordinated debentures. The ultimate purchase price of the Ashland Canada shares will amount to \$480m.

The acquisition is being met through existing cash balances, according to Kaiser, in addition to proceeds from Canadian bank loans. Kaiser Resources recorded first quarter net earnings for 1978 of \$13.38m; total net earnings for 1977 stood at \$87.28m, which represented net earnings per share of \$2.14.

Ashland Canada recently sold its chemical and lubricants divisions to another subsidiary of Ashland Oil. The value of this sale was approximately \$30m.

In what Ashland's board described as a prudent use of the proceeds from the sale of the Canadian subsidiary, Ashland has offered to buy back 5m shares or about 18 per cent of its common stock for \$47 a share.

The offer is valid until October 20 and is not conditional on any minimum number of shares being tendered.

The company said that if it buys less than all the shares tendered, it will purchase the stock tendered before October 20 on a pro-rata basis.

Ashland however is prepared to buy all shares tendered by individuals who own less than 100 shares as on September 25 and who have tendered all of their stock.

Ashland Oil earned a total of \$161.3m during the 1977 fiscal year, which represented a 16 per cent upturn over the previous year's \$141.3m.

A & P in deficit in second quarter

NEW YORK, Oct. 4.

SECOND-quarter results for the Great Atlantic and Pacific Tea Company came to a per-share loss of 28 cents compared with a 1-cent-per-share profit in the same period in 1977.

This amounts to a six months' loss of 68 cents per share (compared with a 13 cents profit). Net losses for the six months period total \$16.8m compared with a \$5.67m profit. Sales improved to \$2.68bn from \$2.61bn in the 1977 period.

The quarter results include a tax loss carry-forward of \$100,000 (or 1 cent per share) and the six months period includes a \$2.4m carry-forward (or 10 cents per share).

The results also include charges of \$1.4m for the quarter and a total of \$2.7m for the half from F&B 13 charges. The 1977 periods had charges of \$0.39m and \$2.3m respectively.

A further provision of \$3.9m has been included to cover the estimated losses to be incurred from the closing or sale of a number of A&P's stores.

Reuter

THE CELANESE-OLIN MERGER

Diversification is the key

BY JOHN WYLES IN NEW YORK

THE STOCK MARKET is by no means immune to surprises but yesterday's announcement of the proposed \$720m merger between Celanese Corporation and Olin Corporation took a lot of the wind out of Wall Street. The chemical industry is closely watched by droves of share analysts but it was impossible to find one who had even dreamed about a union which could prove to be the industry's largest ever in dollar terms.

Part of the reason is that in recent months reality has outstripped fantasy and merger proposals have been rolling in of a much greater size than had seemed possible or probable. The Celanese-Olin agreement follows closely on Standard Oil of California's \$2bn plus approach to Amex, Occidental's \$1bn offer for Mead and United Technologies \$1bn offer for Carrier Corporation.

In common with these actual or proposed mergers, the financial attraction of Olin is fairly obvious. The likelihood of the company's profits falling from last year's \$8.24 a share to about \$2.80 had helped to depress the share price substantially below the book value of \$27.83 a share.

While the agreed merger price of \$30 a share is a substantial premium of about 60 per cent above the stock market price it is a very modest sum when set against book value and Olin's improving earnings prospect for the next three to five years.

Olin's closing price on the New York stock exchange last night of \$24 indicates that investors are intimidated by fears of possible anti-trust moves by the Justice Department. The two companies say that there is 56 per cent of its 1977 sales of \$2.22bn.

The anti-competitive implications of their union would be nil. If the merger succeeds, Celanese will be creating one of the most diversified companies with its chemical industry with annual sales of close to \$4bn which will rank it sixth in the

prolonged weakness in the fibre market over the past seven years has left it with the poorest profitability record of any of the industry's top 10 companies. Its overseas fibre manufacturing operations in Belgium, Brazil, Canada, Colombia, South Korea,

performance by its organic chemicals activities which, in common with several other U.S. companies are burdened by sluggish demand, some over-capacity and rising costs of energy, labour and transport.

In Olin, Celanese is joining hands with a more diversified producer which is starting to emerge from its dark days. Over the past five years the company has sought to concentrate activities on a number of product areas whose profitability was established and whose capital expenditure requirements appeared well founded.

In essence this has meant focusing on brass and chemicals and disposing of weaker brethren such as aluminium and Kraft paper. Profits reached a record high last year but in the past nine months Olin's business has been hurt by strikes

The proposed \$720m merger of Celanese Corporation and Olin Corporation surprised nearly all the Wall Street analysts but its attractions now seem fairly obvious

top 10. In the process it will be solving its major strategic problem stemming from an excessive dependence on the production and marketing of fibres. Domestically, the company is the second largest manufacturer of fibres which accounted for 56 per cent of its 1977 sales of \$2.22bn.

Mexico, Peru and Venezuela have had an even more difficult time and their losses are estimated to have cost the company \$1.18 per share last year.

Considerable progress has been made in the last nine months in reducing these losses but a substantial profit advance is being inhibited by an indifferent per-

GM margins setback

BY OUR FINANCIAL STAFF

PROFIT MARGINS for General Motors Corporation are expected to trail behind the 6.1 per cent level experienced by the company in 1977.

Mr. Thomas A. Murphy, chairman, said that the main reason for the forecast reduction was inflation.

At a seminar on productivity, he emphasised that business overall was very good this year and the company expects the

next fiscal year to be another good one.

Mr. Murphy said that GM estimates that the cost per car which are not recoverable in the present competitive market will rise to \$100 this year. This results from such economic factors as labour costs.

Capital spending by GM will rise to \$5bn per year by the early 1980s from \$3.6bn last year, and the company expects the

Argus raises stake in Hollinger Mines

BY ROBERT GIBBENS

MONTREAL, Oct. 4.

ARGUS CORPORATION, the major Toronto holding company which controls Massey-Ferguson, has acquired a further 115,000 shares of Hollinger Mines, raising its voting stake to just over 26 per cent from 23.9 per cent.

Argus has also taken an option on a further 14 per cent of Hollinger's voting shares for a period of five years from Mr. Black has suggested that the

Hollinger shareholders. Argus, which is now headed by a group led by Mr. Conrad Black, had indicated that there would be changes in its portfolio. The company, through its minority holdings, controls several Canadian companies with total annual sales of well over \$380m. These minority interests have been the largest single holdings in these companies and built on the old Hollinger gold mine in Ontario.

minority holdings might be increased. Massey, the main holdings are Donair, a major pulp and paper chemicals and building materials group, Dominion Stores, one of Canada's largest food retailing groups, Standard Broadcasting, a large communications company, and Hollinger, a mining company.

Mr. Black has suggested that the

Corco studies changes in Charter's takeover terms

SAN ANTONIO, Oct. 4.

MR. EDWARD D. DOHERTY, president and chief executive officer of Commonwealth Oil Refining (Corco), said yesterday that continuing discussions with Charter Company of Jacksonville, Florida, have resulted in a modification of certain of the terms of the Charter proposal to acquire control of Commonwealth Oil.

The most important modification under discussion with Charter, Mr. Doherty said, was the exchange of common shares of Commonwealth for common shares of Charter. Under this modification, Commonwealth preferred shareholders would also exchange shares for a similar security of Charter.

It is understood that Charter also intends to revise its original offer to certain Commonwealth creditors. Commonwealth Oil has been advised that details of such revisions have not yet been fully developed.

Mr. Doherty said the modifications in the Charter proposal were still at the discussion stage and that no agreements had been reached nor commitments made by either Commonwealth Oil or Charter.

Commonwealth said yesterday that in view of the modifications

proposed by Charter it was reserving judgment on a competing bid by the Arabian Seacell Corporation which is led by Lebanese-born Mr. Roger E. Tamraz. As previously reported, Commonwealth directors had decided to meet last Friday to consider that proposal.

However, a spokesman for the Tamraz group said yesterday that as far as he was concerned the Arabian Seacell group had expired. He said the group had given Commonwealth until 31.00 GMT Monday to act on the offer. "We were surprised our offer was not accepted," the spokesman said. "Now we are going to sit on the sidelines and evaluate the Charter proposal and decide what we are going to do."

Sources close to the takeover negotiations said that Commonwealth had advised the Tamraz group that Charter's revisions improve the rights of Commonwealth shareholders and creditors, and that it therefore could not accept the Tamraz proposal by the deadline.

Charter officials said they had discussed such revisions with Commonwealth in the past but last Friday was the first time they had been brought before Commonwealth's Board.

AP-DJ

EUROBONDS

DM upturn continues

BY OUR EUROMARKETS STAFF

THE DOLLAR sector of the international bond market remained becalmed yesterday. There was very little business and prices barely moved. In its second day of trading, the first Danish convertible, Novo Industri, was the only primary market novelty in a scene otherwise devoid of new issues.

Its market reception has been adequate, perhaps better than expected — and it was quoted last night at 984-883 after having been issued at par.

Lacking dollar business, traders were casting around for other interest. Some reported continued trading opportunities in the Sterling sector, although these were of a speculative nature. Prices here were a little weaker with Fisons dropping noticeably in price.

Prices in the Deutschmark sector were up for the third day running by about one quarter of a point with turnover described by dealers as good.

The Marudal Foods convertible being arranged by Deutsche Bank was offered in the market yesterday. Indicated terms of this DM50m nine-year issue include a coupon of 31 per cent and a conversion premium of 10 per cent. Final terms will be fixed on October 18.

Marudal Foods shares reached a high of ¥955 this year and a low of ¥761. The shares closed yesterday in Tokyo at ¥921.

The Nissan Diesel Motor convertible being arranged by the same bank was priced at par yesterday and pre-market trading suggested it would go to a premium today in the secondary market.

We are pleased to announce the change in our name from

World Banking Corporation into
INTERNATIONAL TRADE and
INVESTMENT BANK "I.T.I.B."

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LUXEMBOURG

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P.O. Box 320

Telex:
General 1350
Dealers 1351

Weekly net asset value
on October 2nd, 1978

Tokyo Pacific Holdings N.V.
U.S. \$71.42

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. \$52.04

Listed on the Amsterdam Stock Exchange
Information: Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam

VONTOBEL EUROBOND INDICES

145.76=100%

PRICE INDEX	26.9.78	4.10.78	AVERAGE YIELD	26.9.78	4.10.78
DM Bonds	105.79	106.18	DM Bonds	6.502	6.436
NFL Bonds & Notes	101.93	102.45	NFL Bonds & Notes	8.001	8.413
U.S. \$ 5 Yr. Bonds	98.46	98.46	U.S. \$ 5 Yr. Bonds	8.978	9.042
Can. Dollar Bonds	97.07	97.80	Can. Dollar Bonds	9.779	9.794

We're welcoming a Billionaire.

Estimated 1978 Annualized Sales

3 Billion Dollars

2 Billion Dollars

1 Billion Dollars



With over a billion dollars in sales.

Pet Incorporated makes quite an addition to our IC Industries family. Together we'll surpass \$3 billion in annualized sales this year.

And this year marks IC Industries 10th year of diversification. Just 10 years ago we were a \$300 million regional railroad. So what better way could we top off a decade of diversification than by welcoming Pet to our family of companies?

We're welcoming much more than a famous can of evaporated milk, too. The four Pet business groups are a part of virtually every facet of the nation's food system.

From the Milk and Dairy Products Group, Pet supplies fresh milk, evaporated and powdered milk, ice cream, fresh dairy specialties and Sego diet foods.

Pet's Convenience and Specialty Foods Group consists of Pet-Ritz and Downyflake frozen foods, Funsten nuts, Laura Scudder's snack foods and Whitman's Chocolates. It's also Old El Paso Mexican foods, Musselman's apple products, Heartland cereals, Gulf Belle shrimp and Reese specialty products.

Pet's Store Environments and Distribution Services Group supplies the retail food business with Hussmann's freezer and refrigerated display cases and also Merchants refrigerated warehouses.

And Pet's Specialty Retailing Group includes Vendome and 9-0-5 party centers, Stuckey's highway stores and Mr. Panel home improvement centers.

All together quite a company. A billion dollars in sales. A diversified manufacturer and distributor of food and other consumer products. And now, a part of the IC Industries family.

If you'd like to know more about IC Industries, write: IC Industries, Inc., European Office, 55, chemin Moise Duboule, CH-1209 Geneva, Switzerland.

IC Industries

Diversified in five business groups: Commercial Products, Consumer Products, Real Estate, Financial Services, and Transportation.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Oji and Nippon Pulp to merge

BY YOKO SHIBATA

TOKYO, Oct. 4

OJI PAPER, Japan's largest maker of newsprint and kraft paper, and Nippon Pulp Industries will merge in March next year on an equal basis, it was announced today. According to the merger plan, the new company will retain the name of Oji Paper Company.

Through the merger, both companies hope to rationalise their production lines and regain competitiveness. Japan's paper and pulp industry is faced with sluggish demand, stemming from a long-term structural recession, coupled with the recent revaluation of the yen, which encouraged an inflow of imported papers. As a result of these factors, the market price of kraft paper, Oji Paper's main line, has declined by 30 per cent over the past year.

Oji Paper was established in 1949 as one of three companies into which an older and larger concern had been divided under Japanese anti-monopoly law. Attempts were made in subsequent years to re-establish the links with the other two com-

panies, Jujo Paper and Honshu Paper. However, this would have led to a market share which might have been in excess of the anti-monopoly law requirements. Oji Paper appears to have chosen the merger with Nippon Pulp Industries as an alternative to this move. Nippon's lines of production are sufficiently different from those of Oji to avoid infringement of the anti-monopoly law. Nippon Pulp specialises in

high added-value products such as coated papers. Oji Paper is capitalised at ¥14.3bn and employs 4,452 workers. Its net profits amounted to ¥2.77bn on sales of ¥205.92bn in the business period ended last March. Nippon Pulp Industries, the 16th-ranking Japanese paper manufacturer, is capitalised at ¥4.82bn and employs 2,310 workers. It registered net profits of ¥255m on sales of ¥67.55bn in

the March business term. After the merger, the new company hopes to achieve sales of ¥370bn, which would surpass those of Jujo Paper, currently the leading Japanese paper manufacturer. The Minister of International Trade and Industry has welcomed the Oji merger plan as a step towards strengthening Japan's paper industry.

Setback for two plantation companies

BY WONG SULONG

KUALA LUMPUR, Oct. 4

SHARP profits setbacks have been announced by a further two Malaysian plantation companies for the first half of this year, 3.7m lbs as a result of effects of the drought.

Pre-tax profits at Keok Seng Berhad fell from 6.2m ringgits to 1.5m ringgits (U.S.\$660,000). The company said that its palm oil output fell by 42 per cent,

from 17,500 tons to 9,500 tons, although rubber production increased by 18 per cent to 3.7m lbs.

Because of the short supply of fresh palm oil fruits during the period, it had to pay high prices for fruit to meet its forward commitments, and this denting profits.

Trengganu Development and

Management Berhad said that its pre-tax profits fell from 992,000 ringgits to 237,000 ringgits (some U.S.\$100,000) because of a lower palm oil crop and poor prices.

Its palm oil production was down 32 per cent to 8,260 tonnes, while prices were down by 12 per cent to 931 ringgits per tonne.

Myer Emporium decline reduced in second-half

BY JAMES FORTH

SYDNEY, Oct. 4

MYER EMPORIUM, Australia's largest department store retailer, experienced a 13.8 per cent downturn in group profit from A\$44.55m to A\$38.49m (US\$44.76m) in the year to July 31, but the directors believe that there could be an improvement in the current year.

It is the first setback in annual results for Myer for many years, but the group reported a 23 per cent decline at the half-way mark and directors forecast that results for the full year would be lower. In the event, earnings declined by a marginal 1.1 per cent in the second half.

The directors referred to a number of adverse influences on results in the first six months, including unemployment,

reduced consumer spending, intensified competition and the need to adjust stocks to match the lower rate of sales increase. They said that strong corrective action in the second half resulted in the profit decline being substantially arrested.

The annual dividend is maintained at 10.5 cents a share and is covered by earnings of 20.9 cents a share compared with 24 cents in 1976-77.

Group sales for the year rose only 5 per cent, from A\$1,020m to A\$1,076m, well below the inflation rate for the same period. The directors said that the improvement in retail sales, in real terms had been sluggish, but that there were some signs

in the economy—including the drop in inflation and in interest rates—that things would improve well in to 1978.

Figures recently released show that, on a seasonally adjusted basis, retail sales for the first two months of 1978/79 rose by 1.9 per cent, compared with an increase of 1.2 per cent for the same period last year.

Myer's experience has generally been shared by other major department store retailers. Waltons and David Jones both reported substantial profit downturns, although Grace Bros. managed to lift earnings again. The discount chain stores, such as G. J. Coles and Woolworths fared much better.

Plant disputes upset Tooheys

BY OUR OWN CORRESPONDENT

SYDNEY, Oct. 4

TOOHEYS, The New South Wales brewer in Sydney which cost greater share of the market although the profit contribution rose only marginally to A\$1.9m. Budgets for the current year expect this division to lift earnings significantly as a result of a concerted campaign to promote the wines.

The directors said that this was a disappointing result and mirrored a year of frustration in industrial disputes concerning redundancy plans, but these had now abated.

The wine division gained a

brewery in Sydney which cost greater share of the market although the profit contribution rose only marginally to A\$1.9m. Budgets for the current year expect this division to lift earnings significantly as a result of a concerted campaign to promote the wines.

Tooheys' share of the beer market improved slightly to 42 per cent in bulk form and 45 per cent of the packaged markets.

The annual dividend is held at 7 cents a share and is covered by earnings of 15 cents a share, compared with 14.5 cents in 1976-77. Allied Breweries of the UK owns about 23 per cent of Tooheys.

Profit for the 18-month period at R2.3m (US\$2.7m) was only one-third that of the previous year. But this does not reflect the true state of affairs as in line with normal South African banking practice undisclosed amounts are transferred to hidden reserves.

There is no prospect of payment of ordinary dividends for several years. Total earnings need to be retained to build up reserves and capital. Whether this can be done quickly enough for the Trust Bank to participate in an expected consumer spending boom remains to be seen.

Plantation venture

Consolidated Plantations, the Sime Darby subsidiary plans a joint venture with Syarikat Hadapan Berhad (SHB) to develop the 2,800 acres of logged jungle land of SHB in Johore. Consolidated Plantations will subscribe for cash at par for 1.55m ordinary (1 ringgit) shares in SHB, representing 45 per cent of the enlarged capital of SHB. The board of Sime Darby Holdings will vote in favour of the resolutions at an extraordinary general meeting on October 20, Agencies report.

General Property Trust to raise \$A15m

BY OUR OWN CORRESPONDENT

SYDNEY, Oct. 4

GENERAL PROPERTY Trust, rate would be at least 6.5 cents of A\$5m, the company announced. This will mean partial allotment of some applications.

The issue, totalling A\$30m, included an offer of conversion to holders of A\$22.4m of maturing debentures.

Meanwhile, the issue of which compares with the latest A\$25m debentures by CSR which was announced on August 16 opened yesterday, and was on the current trend of rental immediately closed when over-income the Group's distribution subscriptions exceeded the limit

of A\$5m, the company announced. This will mean partial allotment of some applications.

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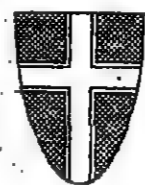
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of A\$5m, the company announced. This will mean partial allotment of some applications.

All these Bonds having been sold, this announcement appears as a matter of record only.

NEW ISSUE

September 1978



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New Issue
October 5, 1978

All these bonds having been sold, this announcement appears as a matter of record only.

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NEW ISSUE

October 1978



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Byblos Arab Finance Bank (Belgium) S.A.

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Den Norske Creditbank

European Arab Bank Ltd.

Euro-Kuwait Investment Co. C.S.C.

Gefinor Finance S.A.

The Gulf Bank, K.S.C.

Gulf International Bank B.S.C.

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Nederlandse Creditbank N.V.

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Union de Banques Arabes et Européennes—U.B.A.E. Société Anonyme

Wood Gundy Limited

Tim Dickson on the problems facing the company at today's annual general meeting.

A new strategy to bring Dixons back into favour

MOST STOCK market A new prescription, if not radical surgery, was obviously needed to achieve healthier returns.

Originally, Dixons hoped its new pharmaceutical interests, initially with some 200 retail outlets, would eventually rival Boots in the high street. Two years later, however, the company's aspirations have been modified.

As finance director Mr. Egon von Greyser puts it, "We now realise that Westons is not a national chain but a neighbourhood chemist. The emphasis is no longer so much on marketing as on the infrastructure, distribution and improved efficiency."

To this end Dixons earlier this year paid £650,000 for Branded Goods, a Stoke-on-Trent based distributor of chemists' merchandise.

RG also has about 500 "tied" but independent chemists which operate under the "Enterprise" name—a relationship similar to the independent food retailer linked closely to VG, Spar, or Mace and using that name.

Branded Goods is particularly important in two respects, apart from being a profitable company with what Dixons feels is a winning formula. First, the Weston retail chain will gradually become integrated under the "Enterprise" banner, accepting its disciplines and better co-ordinated structure.

Secondly, Westons' successful wholesaling arm, Barclay and Sons, which only distributes ethical (or prescription) supplies will now have a complementary range of "over-the-counter" goods.

The new strategy, which is already being implemented, should help Westons' retail chain (whose shops made losses last year) achieving modest profits in the current year. How the pharmaceutical division as a whole will fare, however, depend very much on what happens in retail price maintenance. The gradual abandonment of RPM in the industry, and the

looming price war in pharmaceuticals may well have serious consequences, not least for Barclays.

Previously wholesalers have not been permitted to give discounts to their customers. But as Sir Hugh Lindsay, chairman of Macarthur Pharmaceuticals, reported last week, price cutting has become more and more widespread in the last few months.

Mr. von Greyser explains, "Our group policy is that it is in everyone's interest—wholesaler, high street chemist and consumer—for RPM to survive. Otherwise services will decline, there will be fewer depots and more chemists will be forced to buy in bulk."

"We can't, however, just ignore this development. Whereas other groups are reducing their margins on a national scale, we are only reacting to local circumstances."

Mr. von Greyser firmly hoped RPM would be maintained. But in the likely event of a full scale price war he was confident that Barclays would survive.

Besides the serious problems facing the pharmaceutical side, Dixons is also suffering from dull trading in Europe where it has exclusive rights to market consumer electronic products of the Japanese manufacturer Chicon.

The latest annual report shows overseas profits, predominantly earned in Europe, one-tenth higher, at £3.5m, than last year. This figure, however, includes £0.7m profit on the sale of trade investments, almost entirely attributable to the disposal of a small stake at an opportune moment in Chicon.

At the underlying trading level therefore profits were actually 12 per cent lower but the only reference to this exceptional item is in note 2 to the accounts—no mention was made in the preliminary statement or elsewhere in the report.

In mitigation, Mr. von Greyser maintains that investment

are an important Dixons activity. Why, he asked, should capital gains be treated separately? "What is important is that the profit is made in some other way the following year and we will certainly achieve that."

In spite of this explanation some City investment experts are distinctly unhappy about this particular item in the accounts. It is widely believed that the implications have been partly responsible for the share price slide.

Problems in Europe, moreover, have recently forced Dixons to pull out of retailing in Holland and Belgium. These interests always made a profit. But the continental retail market has been difficult for some time, with margins traditionally low compared to the UK. The remaining operation on the Continent, which distributes goods manufactured by Chicon, is being further hampered by the yen's consistent strength.

Despite the pharmaceutical and Continental trouble-spots, Dixons in the UK is currently doing extremely well, and the future looks bright. The group's well tried retailing formula has been highly successful. Sites for new shops are carefully chosen and new investments must match up to strict criteria in the early stages, a return of 10 per cent on capital in the first year, 20 per cent in the second, and 30 per cent in the third.

Expansion

Dixons plans to add 14 new shops to its total of around 175 between now and Christmas—this at a time when the full blast of consumer spending is bursting the tills. The team will presumably fall off some time, and Dixons may in future find prime sites more difficult to acquire.

As Mr. von Greyser points out expansion now has in the exciting new field of electronic gadgetry and here Dixons' marketing team has a wealth of

experience and expertise. TV games and home video units are just two of the big growth areas on the horizon; a new, highly sophisticated home computer game, for example, is to be marketed next year. "We are a technically orientated company," he says. "Our salesmen sell our products successfully because they are themselves technically minded."

While the British, non-pharmaceutical retailing side will continue to provide the bulk of Dixons' short-term growth (last year it accounted for 27 per cent of sales and 40 per cent of total profits), two further areas have important immediate potential.

Setback

First, Barclays Hospital Supplies, a specialist subsidiary of Barclay and Sons, looks much better placed than its pharmaceutical counterparts, with Dixons. Last year, profits admittedly suffered a setback due to delays in obtaining a new product licence. But this has now been sorted out and with a new dialysis unit soon to be launched rapid sales growth, particularly in overseas markets, seems assured.

Secondly, Dixons is currently making inroads in the U.S. At present profits here are relatively small but sales should double in the current year and the operation will grow as Chicon products become accepted and more lines are introduced.

Two and a half years ago the company took a big plunge into pharmaceuticals. Today Dixons is at the crossroads. The question which must now be answered is whether Mr. Kalms and his directors can remove market doubts by nursing the wayward Westons back to recovery.

Unlike many other growth stocks, Dixons has slipped from favour and fought its way back to popularity in the past. Shareholders at today's meeting will no doubt hope that this achievement is to be repeated before long.

APPOINTMENTS

American professor to be British Film Institute director

Prof. Edward S. Perry, Dean of Arts and Humanities at Middlebury College, Vermont, U.S., has been appointed director of the British Film Institute.

Mr. J. D. Campbell, general manager of the TSB of West of Scotland, has returned from the TSB Trust Company Board. Appointed to the Board are Mr. P. I. Twelvemore, general manager of the TSB South East and Mr. K. H. Allen, former chief actuary of Commercial Union and of the British Association of Life Offices' Association.

Mr. Cecil Crosswhite, deputy chairman of the TSB and EAST-SPRINGPORT, since it was established in 1966, has resumed through ill-health.

Cray Research, U.S. announce the formation of a subsidiary, CRAY RESEARCH (UK) LTD, Cricknell, Berks, with Mr. Peter Appleton Jones as managing director, to market computer products.

Mr. S. R. Harding, a director of Hill Samuel and Co. has been appointed a non-executive director of RPI INDUSTRIES.

Mr. G. J. R. Clow, company secretary, and Mr. F. A. Leonard have been appointed additional directors of ACLI INTERNATIONAL COMMODITY SERVICES.

Mr. Peter B. Hamilton has been appointed chairman of GKN ENGINEERING AND CONSTRUCTION SERVICES in succession to Mr. G. I. W. Fryer who has resigned due to ill-health.

Mr. Hamilton, chairman of the Fifth Cleveland subgroup of GKN, Mr. Ian MacLeod-Smith has been appointed a director of newly formed RAUMA-REPOLA (ENGINEERING) and will be managing director of its Lokomo Division.

Mr. Colin Fuller has been appointed managing director of EUROPELEASE, a member of the Electronic Rentals Group.

Mr. Edward Hirschbeck has been appointed director of Argans for the European operations of PITNEY BOWES, manufacturer of mailing and paper handling equipment.

ROYWEST BANKING CORPORATION of Nassau has established a London representative office at 7 Birch Lane, EC3. The resident representative is Mr. Frank Dawson.

Anthony Westmidge has been appointed director of JOHN WALKER AND SONS with special responsibility for exports in Central and South America, and the Caribbean.

Mr. Peter Tanker becomes associate director, with specific responsibility for groups and

overall control of SLEEPTEZZEE's southern division Mr. John S. Mant becomes associate director (marketing).

Mr. Edward Schott has been elected vice-president of CLARK EQUIPMENT COMPANY, U.S., with responsibility for the company's purchasing, production control and traffic operations. Mr. Schott joined Clark after retiring from the Ford Motor Company where he was the general purchasing manager for truck operations.

Clark has made two further elections. Mr. Frank Albert becomes senior vice-president and chief financial officer. Mr. John Cooke becomes vice president, corporate staff group.

A new company, GRAND METROPOLITAN SYSTEMS has been formed to provide systems consultancy, systems design and computer programming services, primarily in the Grand Metropolitan group but also to external clients. First Board appointments are Mr. D. D. Voyle (chairman) and Mr. N. G. Timmins (Managing).

AVIATION AND GENERAL INSURANCE COMPANY announce that Mr. R. E. Holland has retired from the chairmanship. He retains his seat on the board. Mr. R. H. Peet, formerly deputy chairman, was elected chairman. Mr. W. G. Haslam resigned from the board on his appointment as chief executive of the newly formed Prudential Assurance Corporation. Mr. D. S. Craigie was appointed a director in his place and deputy chairman.

Mr. Raul V. Ibarra has been appointed joint manager with Mr. Ralph Emery of the London branch of BANCO DE LA NACION ARGENTINA, and Mr. Guido D'Andrea has been appointed deputy manager.

Mr. K. Corcoran, managing director of replacement parts marketing and distributing division and Mr. W. B. Everitt, managing director of bearings division have been appointed directors of ASSOCIATED ENGINEERING.

SCIENTIFIC DESIGN COMPANY has appointed Mr. Martin Howard sales manager for Europe. Based in London, he will assist Mr. G. H. Vasey, managing director of the company, in the marketing of its technology in Eastern and Western Europe.

Mr. G. H. Vasey has been appointed commercial director of DUFFIN CONTAINERS, a Morden company.

Mr. Patrick W. Dodson has been appointed a non-executive director of J. F. NASH SECURITIES.

Following his election as Lord Mayor of the City of London, Mr. Kenneth R. Cork has relinquished his directorship of the RUPSAAL COMPANY. Mr. Richard I. Blau, on the retirement of Mr. Eric D. Adams.

Mr. Robert E. Kelley has been elected a director of RALPH PERKINS HOLDINGS. Mr. Kelley is a U.S. citizen and lives in Saginaw, Michigan, where he continues as president and chief executive officer and as a director of the group's U.S. company, Baker Perkins Inc.

LEIGH LINERMAN, food distributor of Leeds, has been appointed a director of the RUPSAAL COMPANY, on the retirement of Mr. Eric D. Adams.

in his stead, Mr. Mantley is managing director of the Villa Sant Andrea, Sicily, in which Kursaal recently acquired a 50 per cent share stake.

Mr. Michael Ackling has been appointed director and general manager of McLEAN SOUTH-EAST, one of the 12 building subsidiaries of the housing division of TARMAC. Mr. David Baines also becomes a director of the company. Mr. Ray Hardman has been made development director of McLEAN SOUTH WEST, and Mr. Peter Smith has been appointed a director of McLEAN SOUTH EAST.

Mr. John Alexander Holmes has been appointed a director of BORDER BREWERIES (WREXHAM).

R.F.D. GROUP has appointed Mr. G. B. Davies chief executive of its special products division.

Sir Arthur Knight has resigned from the board of ROLSKO to allow himself more time to devote to his other business and personal interests. Sir Arthur is chairman of Courtlands.

Mr. John Rose, who set up the external relations division of the Food Manufacturers' Federation, has left the Federation to join INFOPLAN as associate director.

Mr. R. V. C. Robbins, executive chairman of Stafford Knight and Co., has been appointed a non-executive director of FINLAY HOLDINGS, the printing, film and publishing and housing group.

The ROELI AND HAAS CO. Philadelphia, U.S., has appointed a new director of European operations, based in London. He is Mr. Allen M. Lavanth, previously North American business director for polymers, resins and monomers. He succeeds Mr. J. P. Mulrooney who has returned to Philadelphia to take up the position of corporate business director for industrial chemicals and polymers, resins and monomers.

THE BANK OF AMERICA has made the following appointments in the Europe, Middle East and Africa division. Mr. John Hibbs to vice president, head of public relations, Europe, Middle East and Africa; Mr. Gilbert Jaffe, vice president, Beirut branch; Mr. Rolando Casas, to vice-president and manager, Marseille branch; and Mr. Earl Kress-Kemper, to vice-president and senior accountant.

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FINANCIAL TIMES CONFERENCES

THE OUTLOOK FOR ITALY

ROME

OCTOBER 16-17 1978



Premier Andreotti will give the opening address at the Financial Times-INSUD Conference 'The Outlook for Italy' being held in Rome on 16 and 17 October 1978. He will be supported by a distinguished forum of speakers who will discuss the forward development programmes now re-shaping the Italian economy. Of particular interest will be the studies of Italy's relations with other countries of the EEC, the Arab World and the United States.

The list of distinguished speakers includes:

H. E. Dr. Rinaldo Ossola Minister of Foreign Trade, Italy	Mr. Giorgio Napolitano Former Communist Italy
Dr. Garrett FitzGerald, TD Former Irish Foreign Minister and now Leader of the Fine Gael Party	Dr. Horst Schulmann Managing Director Bundeskanzleramt
H. E. Mr. Abdullah A. Soudi Chairman and General Manager Libyan Arab Foreign Bank	Dr. Ugo La Malfa President Parma Repubblica Italiano
Dr. Antonio Giletti Former Budget Minister, Italy A Member of the Commission of the European Communities	Mr. William P. Drake Director Pennwalt Corporation, USA

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Fiction

Saxon sound

BY C. P. SNOW

Glidenford by Valerie Anand. Chatto and Windus £5.50, 323 pages.

Grave Mistake by Ngaio Marsh. Collins, £4.50, 278 pages.

A Game of Consequences by Shelley Smith. Macmillan £2.95, 190 pages.

Even the most chauvinistic of male pigs would find it hard to deny that women have been distinctly good at novel-writing. This is made plain in the list of all its ramifications, and here are cases in point. *Glidenford* by Valerie Anand, is a first novel and a very good one. It is also a historical novel. It is a domain where women writers have been outstandingly successful. I should be prepared to argue that the best historical novel ever written is by a woman. I am referring to *Zoe Olden* by the French, *Argle et Cendrillon* by the English. I don't know of any book which so convincingly conveys the sense of a time long past—even novels like Robert Graves's which I much admire, don't quite do it. Nor does Valerie Anand, but for anyone who likes historical fiction, she is to be snatched up at once.

One of her merits is to enter into an interesting scene and period, England in the 20 years after the Norman Conquest. Most of us are curiously ignorant about late Saxon England. It is beginning to be vaguely known that, in many respects, the existence was higher than that of the Norman conquerors. The society was much more literate, women had a more tolerable

position, administration was more sophisticated, and so on. The Normans were better builders, and had learned to fight on horseback, which was a major military advantage. Also Duke William had established a kind of feudalism, which the king of the Saxon could work. As often the case before and since, the looser and gentler system was destined to lose.

Valerie Anand sets most of her story among Earl Godwin and his sons. They seem to have been swarthy, but neither too dark nor liked, and she gives a feeling of the disasters to come. Her Harold Godwinson is believable, and so is Eadgyth (Edith) Swan-neck. Godwin himself is the most complex character in the book, and Edward the Confessor, not a particularly stirring monarch, makes some kind of sense. The author has a nice and loving touch with people who could have been treated, without excuse or pity in the pages, such as Harold's brother, March, who is also a victim of the good at hitting at the moral dilemmas which were beginning to trouble men in that fighting northern world. When, if ever, is it permissible to break an oath? Situation-ethics isn't a new invention.

It is highly desirable that Valerie Anand should be encouraged to write more historical novels. She has a real talent. Fortunately for all of us, Ngaio Marsh has had enough encouragement to go on writing her delectable detective stories. She is the last survivor of a classical epoch, when Agatha Christie, Dorothy Sayers, Margery Allingham and she herself were writing the way—were—

simultaneously productive. They have had a splendid successor in another woman, P. D. James.

Grave Mistake is a very good example of the classical detective story. It doesn't pretend to be realistic, any more than the other great detective stories pretended to be. No murder was ever solved like this, nor was any so committed. That doesn't matter. The classical detective story is one of the most elegant of artificial literary forms, and has not only given much innocent pleasure, but also, as with Ngaio Marsh in this book, has been used to convey genuine psychological truths. The book has much charm, and in a casual off-hand fashion a good deal of wisdom. It is one of the unforgivable literary sins to deny one's pleasure. Hence I wish to state that this work gave me several hours of it.

Shelley Smith belongs to a different category of crime writers, and her new book is what Victorian writers would have called a sensation novel, not a thriller, but a thriller, but a story with ominous portents hovering over innocent-looking incidents, and ingenious denouements promised and duly arriving. The book is not so satisfactory as the writer's previous *The Lord Hare*, but good at maintaining and increasing excitement. Old pendant that I am, I have to remark that once on a minor point, confusing burgundy and claret, and again on a point not so minor, concerning the sale of a "velasquez". Smith's worldly one-upmanship lets her down—just as Ngaio Marsh makes an error in her forensic procedure. Maybe forensic pundits ought to be allowed to comment on crime stories.



Joe Orton: a revealing biography of the playwright is reviewed below

Orton's half-world

BY B. A. YOUNG

Frisk Up Your Ears by John Lahr. Allen Lane, £5.95, 360 pages.

Joe Orton's first published work appeared in 1964, when he was 31. His last appeared in 1967, but by that time he was dead, battered to death with a hammer by his friend Keith Halliwell. "If you read his diary," Halliwell wrote in a farewell note before succumbing to 22 Nembutal tablets, "all will be explained."

Orton left three full-length plays, four one-act plays, and a novel. All of them deal with violence and perversion: all except the novel show such talent that, in my mind, if he had lived he might have been the equal of any comic dramatist in our history. He did not throw off his work lightly; he had been writing for ten years before he produced anything worthy of public production, and even then he worked ceaselessly on his scripts under the tutelage of his tireless agent Peggy Ramsay and the various directors who had charge of his plays. But from this infinite capacity for taking pains there came a wholly individual voice, a bottomless fund of invention and a dialogue style developed from the common speech of the streets and the language of the newspapers, and the advertisements and demagogues aiming their words at the people, that has an artificial elegance almost to match Wilde or Congreve.

But elegant and entertaining as his plays may be, they deal with an almost pathological degree with unpleasant things. They

are, moreover, as John Lahr plays are constructed "on May 1964; but on May 22 it said origins and background, the things of his own life. He came from a poor family in Leicester where affection was virtually unknown. "I lived in a normal family," says Geraldine in *Whore* the *Budger* "I had no love for my father." The only love Orton had was for Halliwell, with whom he lived for 15 years, and that was running out towards the end, when he had become famous and well off and Halliwell had had no success. Orton was insatiable in his quest for homosexual adventure, but his taste was for the casual, the squallid and the evanescent.

Besides extrapulating from Orton's diaries and his unpublished manuscripts, John Lahr has amassed as much as possible, and more than seems probable, from the Orton family, from Orton's friends in Leicester and at RADA, from his acquaintances in the publishing and theatrical worlds, and the character emerges remarkably complete. Yet there is a suspicion of part here and there. To emphasise the gap between Orton and his mother, for example, Elsie Orton, a hardworking woman who liked to sing operatic arias at the local pub, is shown only in the dimmest colours. Later, when there were discouraging press notices, these are the ones John Lahr quotes to emphasise his hero's determination. The *Financial Times* may have said that *Entertaining Mr. Sloane* showed "a woeful lack of sophistication either in the way people act or in the way

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Royal ravers

BY RACHEL BILLINGTON

Gilded Butterflies by Philippa Pullar. Hamish Hamilton, £7.50, 192 pages.

When I was sixteen a newspaper photographer arrived in our house to record the last year of Court presentations. My elder sister was to be a representative of a dying species. Seeing me, the photographer had a brilliant idea. While my sister did her Vogue curtsy, ballerina-length skirts outstretched, I was required to stand miserably, jealously, by "Too Late! Too Late!" cried the caption.

Philippa Pullar's book, *Gilded Butterflies: The Rise and Fall of the London Season*, reminded me of this odd incident and of my emotions at the time. Basically, though please do not look for the camera, I considered the photographer, my sister and my mother, all normally rational people, had taken leave of their senses.

With hindsight, I feel I was right. A kind of madness, so to speak, took hold of anyone who had the possibility of contact with royalty or the upper echelons of society. Ms Pullar's book, which is written at a great pace rather in the style of 1968 and *All That*, reinforces the view. Court life (which is more precisely her subject than the season—the adults who were the word) was only coincided in 1837 by irrational behaviour.

The reason for this is the inborn need of most people in belonging to a gang, to be more genteel or club. Often the most genteel clubs require their members to jump through the hoops, the better the club.

In the old days there was, it is true, some good reason for wanting to be part of the royal club. In Queen Elizabeth's reign, where Ms Pullar starts her whirl through history, "the only way to promotion lay at Court," as she says, "which was the centre of everything—government, power, pleasure, intrigue and right. All theories about the of the pile tend to lead pretty quickly to the bottom. And her that court was when Sir Walter Raleigh dealt unconventionally with a puddle."

In King James' Court, which didn't suffer from the restrictions of a queen who had a complex of virginity, life became even wilder. Ms Pullar describes a Last night when the Queen "spent the evening sitting in a large newspaper clipping."

That it is still without a revolution would seem extraordinary if one took seriously the picture of aristocracy painted by this book. Ms Pullar doesn't do much analysis. Perhaps she's right. All theories about the of the pile tend to lead pretty quickly to the bottom. And her that court was when Sir Walter Raleigh dealt unconventionally with a puddle."

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Gissing's grief

BY ANTHONY CURTIS

London and the Life of Literature in Late Victorian England: The Diary of George Gissing by George Gissing. Harvester Press, £28.00, 617 pages.

George Gissing on Fiction edited by Jacob and Cynthia Korg. Bantam Press, £4.20, 118 pages.

Anyone interested in the life and work of the late nineteenth-century author, George Gissing, has been aware of an unpublished diary, kept by the novelist from 1890 to 1900. It was purchased by the Berg Collection in the New York

Public Library and since then it has been available to scholars. Its main contents are familiar from the several books that have appeared on Gissing in recent years and from mangled extracts published in the volume *The Letters of George Gissing to His Family* in 1968. But this is a poor substitute for being able to read Gissing's Diary in full in a convenient and accurate edition which is what at long last, thanks to the efforts of the French Gissing scholar Pierre Coustillas and the Harvester Press, we are now able to do.

The diary began some years after Gissing's expulsion from Owens College, Manchester, for

theft of property from fellow students, his subsequent months' prison sentence, and his year in the United States; they do not contain any reference to that tragic episode. They do, however, include a memorable reference to the girl who lured and seduced him to steal. She was a Manchester streetwalker whom Gissing befriended and disastrously married. By the time the Diary begins he was finally separated from her. One of the earliest entries records a telegram he received while spending a weekend at Eastbourne. "Mrs. Gissing is dead. Come at once." He found her body in a back-room of a sordid lodging-house in Lambeth and he wrote down his reactions:

"She lay on the bed covered with a sheet. I looked long at her face, but could not recognise it. It is more than three years, I think, since I saw her, and she has changed horribly. Her teeth all remained, white and perfect as formerly."

In nothing am I to blame; I did my utmost; again and again I had her back to me. Fate was too strong. But as I stood beside that bed, I felt my life henceforth had a firmer purpose. I henceforth never pass to bear testimony against the accused social order that brings about things of this kind. I feel she will help me more in death than she helped me during her life. Poor, poor thing!

No other passage in the entire work can rival this in its outspokenness and sense of personal dedication. For the most part the extracts are a succinct record of what Gissing read, financial worry, and the state of the weather.

But Gissing's abrupt workaday entries when read in sequence give one a wonderfully complete impression of what it was like to be a free-lance novelist at this period. When his life was approaching a peak or a trough (there were, alas, many more troughs than peaks) he does become quite informative and self-revealing. We are given a record of his meetings with Edith Underwood, the stone-mason's daughter whom he picked up at the Oxford Music Hall, and of the bitter fortunes of his subsequent marriage to her, and in the latter part we hear much of Gabrielle Fleury, the clever French woman with whom he found a modicum of contentment. Public men like Edward Clodd, the banker, and Clement Shorter crop up, as do various publishers and literary agents, and Frederic Harrison to whose sons he had been tutor. He meets an old pupil, Kitty Eslington who is now Mrs. Maxse. She was to become a friend of Virginia Woolf's and the original probably of Mrs. Dalloway. And there are several intimate glimpses of his particular friends, Morley Roberts and H. C. Wells. All in all there is an essential book for the understanding of literary life in late Victorian England.

One of the strange things about Gissing professionally was that, given his insatiable literary curiosity, his mastery of Latin, Greek, French, German and Italian, his discrimination and taste, how little criticism he wrote: one excellent book on Dickens, a handful of articles and essays, almost no reviews. However what he did write is precious, many of his best, telling, his correspondence. All these far-flung observations have been brought together in *George Gissing on Fiction* by Jacob and Cynthia Korg, including an assessment of the state of the novel in 1900, and a college essay on the eighteenth century novelists, neither of which has ever previously been reprinted. It is a most useful volume which makes one lament the very fine little Gissing could so easily have become.

In 1965 Anthony Burgess tries

More fiction

Livia and Bev

BY MARTIN SEYMOUR-SMITH

Livia or Buried Alive by Lawrence Durrell. Faber, £4.95, 265 pages.

The Greenlander by Mark Adlard. Hamish Hamilton, £4.95, 278 pages.

A Cow in the House and Other Stories by Benedict Kelly. Gollancz, £4.95, 191 pages.

The Alexandria Quartet has an uneasy status as a twentieth-century masterpiece. It evoked over-praise, and the true—perhaps not frequently articulated—consensus of opinion about it seems to be that it wears badly: those who read it with wild enthusiasm when they were very young discover that it has a strangely depthless quality, like that (as Faulkner wrote of the face of one of his characters) of a pumped tin.

Since completing the *Quartet*, Durrell has produced novels which have been received with respect but not real enthusiasm. *Livia* is the second of a group of connected novels (*Monsieur L'Arabe* and *The Greenlander* are the others) and we now find that one of the cast of this novel wrote *Monsieur* and so on and so forth: some characters are real and some are imaginary; there is time and there is not time; you can smile and smile while you are doing it and be no villain; Durrell cannot, as has been said, produce a dull page; but there has been no real pressure within him—not even in my view, in the *Quartet*—to be innovative.

Livia is bright, entertaining, clever and readable: a crossword puzzle for devotees of the novel proper. But it is based on a significant and sentimental cliché, and Durrell has smoothed the element of power in it by the use of his familiar and derivative tricks. The element of power in it and its predecessor is, curiously enough, story—just that old ingredient which Durrell imagines is vulgar in our sophisticated times. What he has to tell has no need to be told "in quixotic" (five-twelfths) degrees, a probability machine, the acupuncture lines in the human body, and too much else; if it had, then it would tell itself in that way, and require no "planning".

It is irritating not to be able to give an outline of the contents of the novel, which is a mish-mash of essays, aphorisms, dialogue and often ingeniously managed "occult" allusions. It does sparkle like a new pin, and if you like your stories served up in this way then you will like *Livia*. Gissing

FINANCIAL TIMES SURVEY

Thursday October 5 1978

The Lothian Region

The Lothian Region, which is dominated by the financial and administrative centre of Edinburgh, is more prosperous than most other areas of Scotland. But its success in attracting new industry will need to be maintained to avoid unemployment problems.

Search for more jobs

By Ray Perman
Scottish Correspondent

LOTHIAN, with 771,000 inhabitants, is Scotland's second largest region in terms of population and the one that most closely conforms to the principle of the city-region. The three Lothian counties—East, Mid and West—have always looked to Edinburgh as their focus for the provision of major services and the reorganisation of local government three years ago merely formalised this position. The result has been a cohesive unit which has within its boundaries a wide range of strengths with which to tackle the region's problems.

Those problems, it should be said, are hardly grave in comparison with other areas. The history of the region is markedly different from that of, say, Glasgow or Dundee, which saw prominence as centres of the great Victorian industries and are now living with the effects of decline. Edinburgh was always a commercial and administrative centre first and a manufacturing city second and, although the counties have had, and are still having, to face up to the run-down of employment in some traditional industries, particularly coal mining, the scale is tiny against the loss of jobs in steelmaking, shipbuilding, and heavy engineering areas.

Housing

This healthy position means that Edinburgh has none of the critical problems caused by loss of rate revenue that have lately given rise to considerable concern in Glasgow and the city is able to afford a high standard of public services, a considerable range of shops and entertainments and some of the finest housing anywhere in Britain. It is an elegant city, justly famous for its architecture, its grandeur and its culture, exemplified by the annual international festival. Civic pride extends to the maintenance of neat and colourful gardens along Princes Street, but not yet to the eradication of the worst of the slum tenements, or the rehabilitation of the most shabby of the post-war housing schemes.

Edinburgh is pre-eminent in Scotland as a financial and administrative centre. Two of the Scottish clearing banks have their headquarters in the city and the past few years have seen a massive influx of foreign and London banks to take advantage of the new business being generated by the oil industry. Half a dozen leading insurance companies, some of the largest fund managers in Britain and some leading industrial companies are also based there.

The presence of St. Andrew's House, which houses the 11,000 civil servants of the Scottish Office, ensures that Edinburgh remains at the centre of decision-making, a position which will be consolidated if the proposed legislative assembly for Scotland is set up. Already, in anticipation of that move, several large UK companies with interests in Scotland (such as BP and ICI) have set up liaison offices to open links with the politicians and the bureaucrats.

The counties present a different picture. By southern standards Edinburgh is a well defined metropolis and the urban streets give way very quickly at its boundaries to country roads. In most of the rural parts of the region industry is limited to fairly compact areas and there is still a lot of agricultural land, particularly in the east, where the soil is among the most productive in Britain.

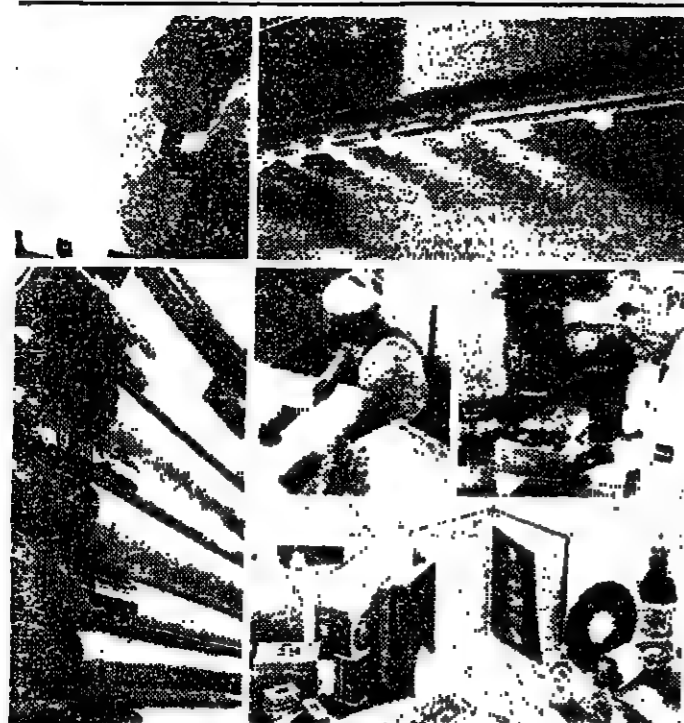
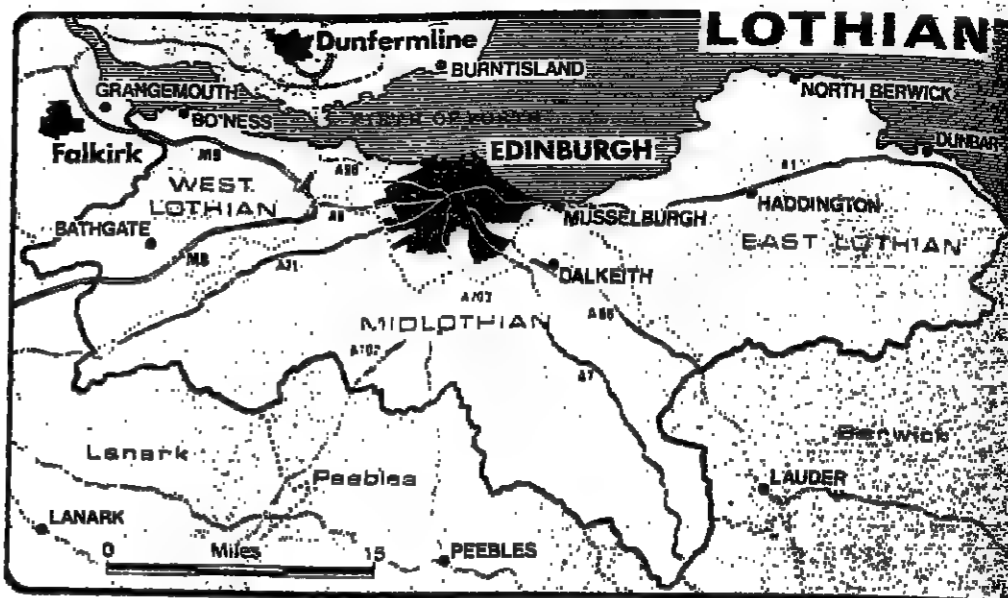
The coastal plain of East Lothian gives way to the hills of Midlothian before the land settles again to being mostly flat in the West. There is much beautiful countryside left in Lothian, although the industrial scars of pit spoil heaps (black

from the collieries and brown plants and equipment. Coal £110m last year. The growth in the landscape in some places. The Scottish Development Agency is busy trying to remove them.

Advanced

As might be expected, the counties have a very different employment pattern to the city. Whereas three-quarters of all jobs in Edinburgh are in service industries, the proportion in the counties is far lower. In East Lothian it is 55 per cent, Midlothian 50 per cent, and West Lothian 45 per cent. Mining and agriculture, largely account for the high proportion of primary employment in East Lothian (17 per cent) and Midlothian (20 per cent) and the existence of several large factories, particularly in engineering, metal working and vehicle building at Leyland's Bathgate plant, for the high proportion of manufacturing employment (41 per cent) in West Lothian.

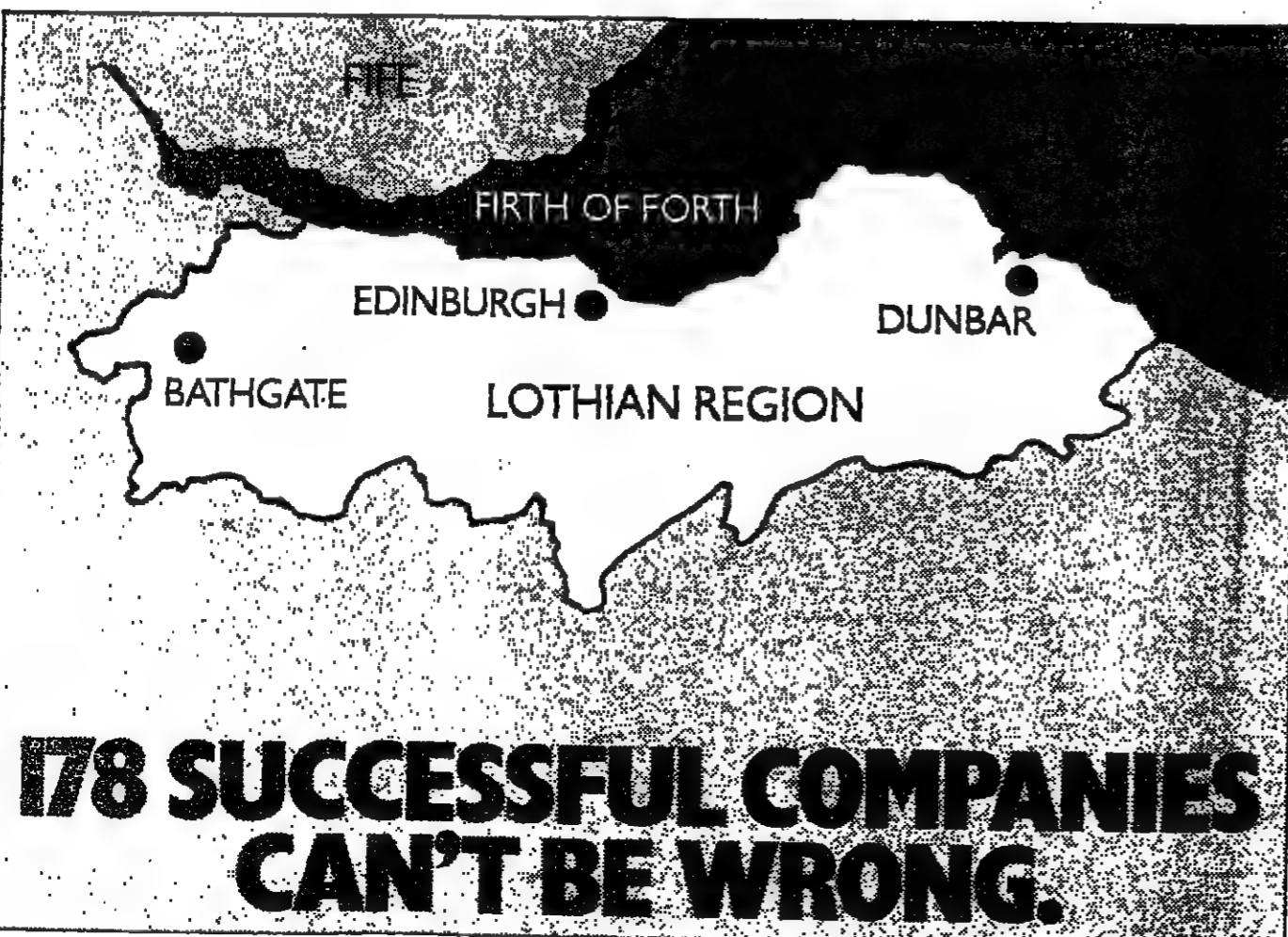
The industry of the region is diverse and the fact that, with the exception of Leyland and a handful of other large employers, most units are fairly small is a strength which has enabled the region to weather the recession relatively easily. Older manufacturing industries such as brewing and distilling, small scale shipbuilding and repairing, steel founding and engineering, are still strongly represented, many with modern plants and equipment. Coal £110m last year. The growth in the landscape in some places. The Scottish Development Agency is busy trying to remove them.



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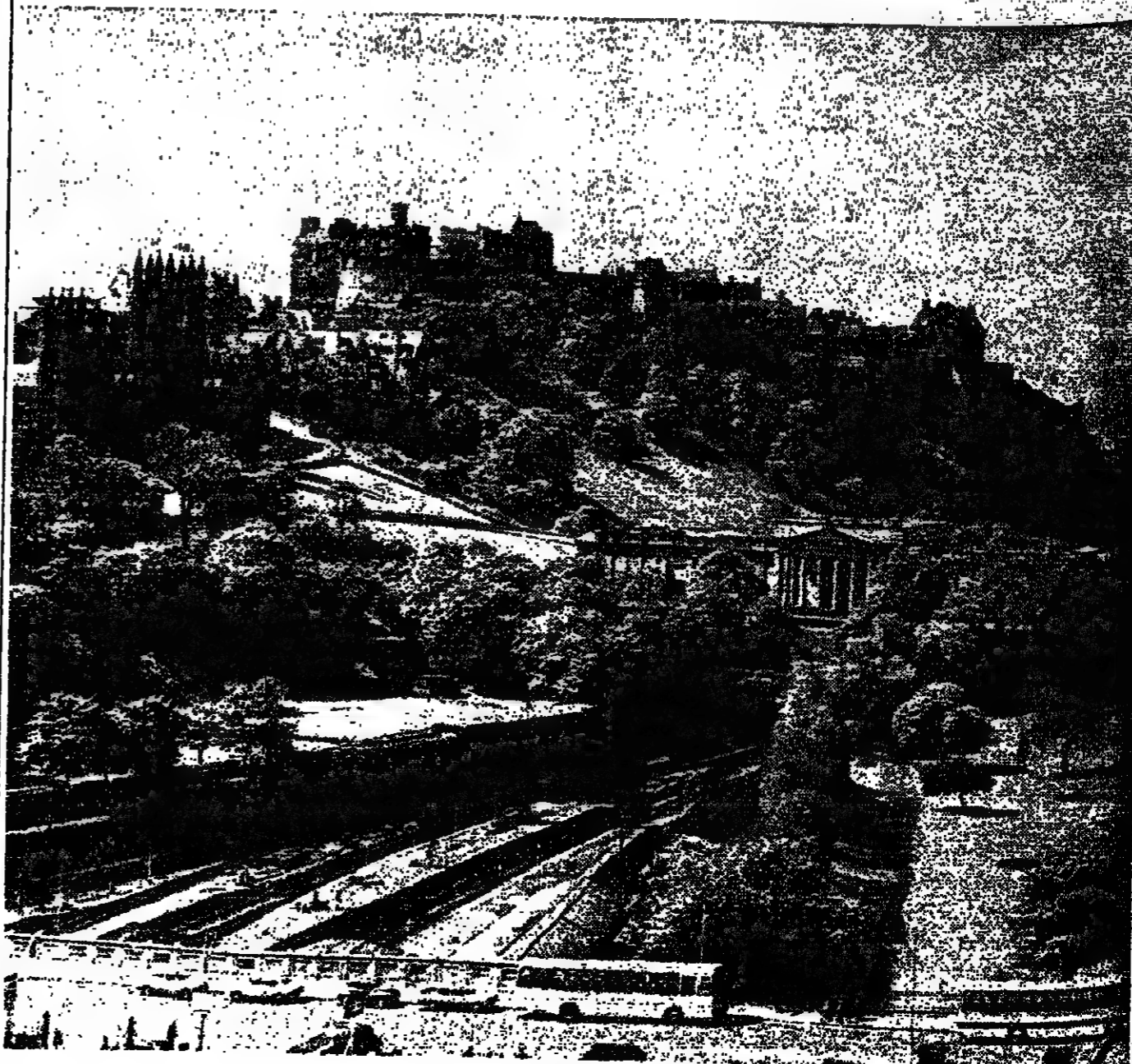
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Back to work at Bathgate

BATHGATE, British Leyland's first truck and tractor plant in Scotland, has been back to work for less than a week. It is not yet clear how much of the six-and-a-half-week strike of machinists has caused the future holds.

The dispute was called off two days ago immediately before the factory's annual one-week autumn holiday. By abandoning a claim for extra money to use new machine tools, the strikers were bowing to the management. Not only had the management steadfastly refused to talk to them, but they were also opposed by their own, the Amalgamated Union of Engineering Workers, and by joint shop stewards' committee, representing all unions in the plant.

The management has spent intervening period preparing start up in production and laying the order book. The dispute at Bathgate had an impressive £70m demand for light and medium trucks and tractors and engines. Now thorough check with distributors will be necessary before the potential customers still to buy and how many have

got fed up and gone elsewhere. The unions have spent the time looking at the plant's problems and at possible solutions. Union pressure was largely responsible for Bathgate being set up 18 years ago and it is now much too valuable a prize to lose.

If it is still too early to say what the future will be for the plant, it is worth taking stock of what exactly the dispute has meant for it. As one of the longest in the plants history, it inevitably attracted a lot of attention, but much of the comment was confused and some of it misleading.

There are two points worth making: first, the machinists' stoppage was not the beginning of Bathgate's troubles. There had already been dire warnings from both management and unions about the plant's industrial relations record and its performance. The mere fact that the dispute has ended does not mean that the problems are solved. Second, Bathgate is not being closed, nor is it being run down. During the strike the board of BL Vehicles—the commercial company in the Leyland group—announced that it was cutting back its forward investment programme by £32m

and this was interpreted by some people as meaning that the factory denied modernisation or its capacity reduced. The opposite is in fact the case: new, more efficient machines will be introduced and capacity will be expanded.

The history of the plant helps to explain some of its present difficulties. It was established by BMC before the Leyland merger in an area of high unemployment and finally established industrial habits. The company had wanted to build in the Midlands, but had been refused an industrial development certificate by the then Conservative government.

West Lothian was at that stage going through the traumas of industrial upheaval. The shale oil mining industry had collapsed in the face of competition from the much more cheaply produced Middle Eastern oil, and coal mining was declining fast. Bathgate offered new jobs, but it meant learning new skills and adapting to a completely new method of industrial life.

The plant was unlike other heavy vehicle manufacturers in that it was designed much more on the assembly line pattern of

the volume car factories than on the bespoke engineering principles of old-established lorry builders like Leyland's other Scottish plant, Albion Motors at Scotstoun, Glasgow. West Lothian people, used to a much harsher working environment where after four days at the coal face or in the shale pit a man felt entitled to take a day off, adapted poorly to the monotony of continuous production. Absenteeism has always been a problem at Bathgate and, to some extent, it is a hangover from those days.

The plant also offered good wages, but has never matched the earnings of face workers in the coal mines, nor even the highest offered elsewhere in the district or elsewhere in British Leyland. Since the nine-week parity strike of 1972 there have been numerous smaller pay disputes that have disrupted production.

The difficulties have not all been of the workers' making. BMC's merger with Leyland and the new company's constant problems and re-organisations have all contributed to uneven and often inefficient management. The last year has seen several changes of top execu-

tive at Bathgate which, as great hopes for it from unions Frank Andrews, the new general manager of Leyland's Light/Medium Division, acknowledges have affected the examination by independent consultants of the grading structures throughout the plant.

"I would definitely not put all the problems on the shop floor. We have been deficient in the introduction of new products this year which has affected productivity and on a couple of occasions we have not given the shop floor a clean product to build."

The management problem has been helped considerably by the most recent Leyland re-organisation, which put the headquarters of Light/Medium Division at Wester Hailes, Edinburgh, a few minutes' drive from Bathgate. It needs time to see whether the shop-floor problems have also been alleviated.

A new productivity scheme, which could give workers an extra £11 to £13 a week for raising production from the 62 per cent of targets averaged before the summer holidays to over 75 per cent (the level at which the plant begins to make good profits) has hardly been given a trial because of the machinists' dispute. There are

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THE City of London can by the Bank of Scotland) and bids and other types of service, the newcomers have brought vast new resources to back their formidable challenge. So the domestic institutions have had to go international in self-defence, if for no other reason.

This is not to say that Edinburgh has been a parochial city prior to the North Sea discoveries. The Edinburgh Festival, now in its 32nd year, epitomised a global outlook, while in the financial sphere fund managers acting on behalf of their clients have been investing abroad (particularly in North America) and monitoring trends in the world's capital and money markets for well over a century. (What is reported to be Britain's first investment trust, the Scottish-American Trust of Edinburgh, dates back to 1873.) The city's infrastructure, including air and telecommunications, and the presence of science-based industry in and around the city have also tended to support and foster that global outlook in the local financial community.

One significant pointer to the clearing banks' response to the challenge has been the fast expansion of foreign currency transactions. From barely 1 per cent of total funds in 1972, foreign lendings and deposits respectively now represent well over 15 per cent of those funds in the case of the Bank of

Scotland, the proportion approaches 25 per cent, not least because of the Bank's increasing participation in international consortial lending.

The Edinburgh clearers are also extending their foothold overseas. Following the establishment of branches or representative offices in the U.S., both the Royal Bank and the Bank of Scotland are moving to Hong Kong, attracted no doubt by fast industrial growth in some of the advanced Third World countries in the Far East. The Bank of Scotland is also a partner in a representative office in Moscow.

Nor have the clearers been sluggish in grasping oil-related opportunities. In their evidence to the Wilson Committee last year, they estimated a commitment to licensees which, if fully drawn, would be close to 11 per cent of their total lending.

The past decade has also seen a considerable expansion in the range of Edinburgh-based financial institutions. They include three merchant banks: a fourth one, Edward Bates, revived and publicly floated by Ivory and Sime's Atlantic Assets trust, has founded and had to be rescued by the Bank of England's "lifeboat".

The British Linen Bank, formerly the Bank of Scotland Finance Company, took its name from the clearing bank which merged with the Bank of Scotland, its parent, in 1989. It offers a full range of merchant banking services and, with a substantial lending portfolio and an investment subsidiary, is a rising force in the UK market. Noble-Grossart, on the other hand, is a smaller and generally

more selective institution, with a more modest lending portfolio. Its investment subsidiary generally favours small or medium-size unquoted companies: an exception is North Sea Assets, managed jointly by the bank and Ivory and Sime, a substantial investment company with funds exceeding £20m invested in equity or loans for mainly, but not exclusively, North Sea support operations.

A third, much smaller merchant bank, McNeill-Pearson, is mainly active in the investment field. The hotting-up of competition in the Edinburgh financial market has not been confined to banks. Towards the end of last year, the pension funds of two nationalised industries — the NCB and British Rail — were involved in takeover bids in two leading Edinburgh investment trusts, the British Investment Trust and the Edinburgh and Dundee Investment Company respectively. Both bids were successful in the face of strenuous opposition by the boards of the trusts which were unalloyed by assurances by the funds that day-to-day management would remain in local hands.

Britain's membership of the European Community has added a new dimension to the international operations of the Edinburgh financial community which had hitherto been largely North American-orientated. The European Monetary System, if it happens, will no doubt present a new challenge, but then Edinburgh seems to thrive on challenges.

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And, because Bathgate was not presently using its full capacity, it was decided to abandon plans to increase capacity. New buildings will not now be erected and new machines will not be installed.

"These were decisions that were not taken lightly, but they were taken without emotion for sound commercial reasons," says Mr. Andrews. "Until we start using our current capacity, there is no way in the world we want to install extra capacity and load ourselves with additional fixed costs which will raise our break-even point."

The cuts mean that the workforce at Bathgate will increase, but by less than half the number that had been planned. From around 5,500 hourly paid workers, it will rise to 7,500 in the next decade instead of 9,000. The extra jobs can still afford to be lost in an area with few major employers.

Leyland has described the decision to loosen dependence on Bathgate as "non-negotiable". The other part, the cancelling of planned extra capacity, could be reviewed if production rose sufficiently to warrant it, Jimmy Swan, AUEW convenor at Bathgate, has said that the unions will campaign for the management to change its mind.

"It is crystal clear how we make the management change its mind: we prove that we can perform to capacity levels and that we can be stable. We are in a position where we could simply more jobs to central Scotland and we have a responsibility to try to do that. The best chance we have is to prove that Bathgate is a gem."

Andrew Hargrave

Ray Perman

Major water project

THE middle of the next decade the infrastructure of the Lothian region will have been raised to a considerable level in almost all respects, road system, upgraded sewerage system, and had eventually to be abandoned.

In essence, it has now been revived. In 1963 the then Edinburgh City Corporation began trying to estimate future demand and looking for possible sources of supply. By 1968 it had handed over to the South East of Scotland Water Board a virtually complete scheme to construct a new dam near St. Mary's Loch to tap the resources of Megget Water and transport them to Midlothian and Edinburgh City.

In 1974 the board successfully applied to the Secretary of State for Scotland for a parliamentary order enabling it to go ahead with the project and passed responsibility for carrying it through to the new regional council which, with local government reorganisation, in 1975 became the water authority for the area.

The programme is in two parts. Construction work has already started on Phase One of the scheme, and is scheduled for completion in 1982. At a cost of £31m spread over 22 separate contracts, it will provide an extra 22.5mgd; enough to cover the expected increase in the region's demand for water until the end of the century. Phase two can then be put into operation, yielding as much extra water again to bring the total resources available to the Lothian Region to 115mgd.

By far the largest part of the project will be the construction of the Megget dam itself, described by the consulting engineers, Robert H. Cuthbertson and Partners, as the longest and highest (180 ft.) ever built in Scotland. It will have an asphalt core with an impermeable membrane, the first time this technique of going outside the dam construction will be used in the UK.

Behind the dam, which will be an adequate supply of water, is not new. As early as 1800 the Edinburgh and District acres of the Megget valley will

be flooded to form the reservoir. The land was formerly an estate owned by Lord Wemyss and is the home of sheepfarms and farmers. The council is spending some £550,000 rehousing them further up the valley and providing new sheep folds and other agricultural buildings. A 12th century tower and woods, where Mary Queen of Scots once hunted cannot, however, be replaced.

The second part of the project is a 7.7m tunnel and aqueduct pipeline to bring the water 23 miles into the heart of the Lothian Region. The tunnel, eight feet in diameter, will take the water five miles under the Manor Hills, near Peebles, before handing it on to the pipeline, which will take it across the Meldon Hills.

Financing the scheme has been considerably helped by the European Community. Last November a party of councillors signed an agreement in Luxembourg with the European Investment Bank, the Community's long-term lending institution, for a loan of £25m towards the cost of the Megget project and the £32m Edinburgh sewage disposal scheme.

The loan was the largest ever granted to a UK local authority by the bank and was provided for a term of 15 years, at nine per cent, a substantially lower figure than the council would have been able to obtain on the commercial lending market. The bank, one of whose duties is to further regional economic development with the Community, commented on the contribution that the 60m cubic metre reservoir would make to industrial expansion in the region.

The costs of the project have also been offset by a grant of £482,000 from the European Regional Development Fund and the council intends to apply again each year for further grants, which are awarded annually.

Ray Perman

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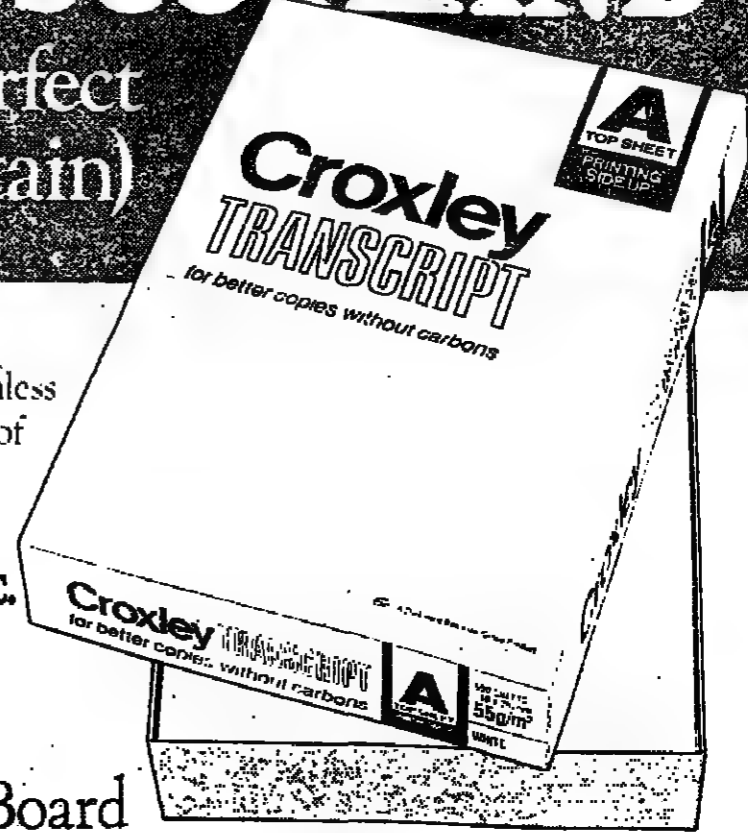
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